Daily Report

Latin America

FBIS-LAT-93-177
Wednesday
15 September 1993

Daily Report
Latin America

FBIS-LAT-93-177 15 September 1993

CONTENTS

NOTICE TO READERS: An * indicates material not disseminated in electronic form.
An Ω indicates a Foreign Media Note.

INTERNATIONAL AFFAIRS

Israel-PLO Accord Bodes Well for Caribbean *[Bridgetown CANA]* 1

INTER-AMERICAN AFFAIRS

Liberalization Policies Facilitate Money Laundering *[AFP]* 2

CARIBBEAN

Cuba

Catholic Church Message Demands 'Real Changes' *[Madrid EFE]* 3
Police Force Asylum-Seeker From Peruvian Embassy *[Madrid EFE]* 3
Pakistani President Stresses Commitment to Ties *[Havana Radio]* 3
First National Nuclear Safety Workshop Opens *[Havana Radio]* 4
Safety Program Announced *[Havana TV]* 4
Alarcon on Importance of Economic Affairs Committee *[Havana Radio]* 4
Canadian Ambassador Notes Investment Opportunities *[Havana Radio]* 4
Inequality of 'Dollarization' Policy Refuted *[TRABAJADORES 16 Aug]* 5
CIEM Director Martinez on Self-Employment Decree *[Havana Radio]* 6
Attention to Discipline in Workplace Stressed *[TRABAJADORES 16 Aug]* 7
Cruise Ship To Make Jamaica-Santiago Runs *[Havana Radio]* 8

Bermuda

Premier Trys To Slow Closing of U.S. Air Base *[Bridgetown CANA]* 8
Aristide Convenes Deputies in Extraordinary Session *[Port-au-Prince Radio]* 8
Caputo Warns Cedras; Cedras Defends Position *[Port-au-Prince Radio]* 9
Army Commander Responds *[Port-au-Prince Radio]* 9
More on Army Response *[Port-au-Prince Radio]* 10
Court President To Challenge Pension Decision *[Port-au-Prince Radio]* 10

Trinidad and Tobago

Government Applauds Middle-East Peace Settlement *[Bridgetown CANA]* 10
Union-Government Meeting Aborted, PM No-Show *[Bridgetown CANA]* 10

NAFTA

Salinas NAFTA Supplemental Accords Speech *[Mexico City TV]* 12
NAFTA Supplemental Accords Presented to Senate *[Mexico City TV]* 13

CENTRAL AMERICA

Costa Rica

Foreign Trade Minister Reports 12-Percent Export Increase *[LA NACION 8 Sep]* 14

El Salvador

Cristiani on Health Workers Strike, Budget, Mideast *[San Salvador Radio]* 14

Guatemala

De Leon Conditions CPR Recognition *[SIGLO VEINTIUNO 13 Sep]* 15
Government Conditions Talks With Guerrillas *[PRENSA LIBRE 11 Sep]* 15
Defense Minister on Offensive *[EL GRAFICO 11 Sep]* 15
De Leon on EMP Documents, Human Rights *[SIGLO VEINTIUNO 11 Sep]* 16

Honduras

Callejas Orders Strengthening of Military at Border *[Hamburg DPA]* 16
Armed Forces Chief on Weapons, Crime, Elections *[TIEMPO 11 Sep]* 16

Nicaragua

National Transportation Commission Calls for Strike *[Hamburg DPA]* 17
Diplomats Issue Communique on Center Bloc Meeting *[BARRICADA 13 Sep]* 17
Recontras Reportedly Kill Peasants in Santa Rita *[Managua Radio]* 18
Comptroller General Report on Assembly Funds Mismanagement
[EL NUEVO DIARIO 13 Sep] 18

SOUTH AMERICA

Brazil

Franco Sends Congratulations on Peace Accord *[Brasilia Radio]* 20
Amazon Region Minister Appointed *[Brasilia Radio]* 20
Ricupero Interviewed *[O ESTADO DE SAO PAULO 13 Sep]* 20
* INPE To Aid in Amazon Air Space Control *[GAZETA MERCANTIL 13 Aug]* 22
* Political Infighting Stalls Constitutional Revision *[ISTOE 18 Aug]* 22
Bulgarian Minister Signs Trade Exchange Agreement *[Sofia BTA]* 23
* Increased Oil Imports From Iran, Others Negotiated *[GAZETA MERCANTIL 23 Aug]* 23
* Government Seeks To Change Industrial Property Bill *[GAZETA MERCANTIL 24 Aug]* 23

Colombia

Guerrillas Attack Pipeline, Office, Buses 14 Sep *[Hamburg DPA]* 24
* Trade Official on Economic Integration Efforts *[EL COLOMBIANO 10 Aug]* 24

Ecuador

Goverment Welcomes Israeli-PLO Peace Accord *[Quito Radio]* 26

Paraguay

Di Tella on Pilcomayo River, Tariff Barriers *[ULTIMA HORA 13 Sep]* 26

Peru

Communique on Israeli-PLO Recognition Issued *[Madrid EFE]* 27
* Perez de Cuellar's Impact on Politics Assessed *[SI 9 Aug]* 27

Venezuela

Velasquez Calls for National Accord Before Elections *[Caracas TV]* 29
Ochoa Travels to Havana for Meeting With Colleague *[Caracas TV]* 30
Copei Candidate Supports Approval of New Banking Law *[Caracas Radio]* 30

Israel-PLO Accord Bodes Well for Caribbean

FL1509003393 Bridgetown CANA in English 2029 GMT 13 Sep 93

[Text] Washington, Sept 13, CANA—Caribbean diplomats here have hailed Monday's signing of a peace accord between Israel and the Palestinian Liberation Organisation (PLO) as a significant development which could impact positively on the Caribbean.

"It certainly will give momentum to our efforts at finding a lasting solution to our problems, particularly our efforts at restoring democracy to Haiti," said Christopher Thomas, the Trinidad and Tobago-born assistant secretary general of the Organisation of American States (OAS). Thomas told the Caribbean News Agency that the emergence of peace anywhere "helps to strengthen peace where it already exists as well as helps the process of finding peaceful solutions to areas of conflict."

He said there should be no concern about the possible shift of focus from Haiti to the Middle East. On the contrary, he said, "today's historic development should serve to bolster our efforts and to strengthen the commitment of all parties to ensuring the peaceful return of democracy to Haiti."

Guyana's ambassador to the United States, Dr. Odeen Ishmael, said the signing of the agreement had some lessons from which the people of Caribbean could learn. "If the Israelis and Palestinians can sink their differences, why then can't we in Guyana and the rest of the Caribbean? I hope this development will have a positive impact on those in Haiti who feel they should stall the process of returning democracy to that country. In the case of Guyana, there are still some forces that want to use ethnicity of divide us. They should learn from today's development that peace and unity, not division and conflict are best for the nation," the envoy said. He noted that both the former PNC and current PPP/Civic governments had supported the cause of the PLO over the years. Guyana, sometime last year, under the previous government, reestablished diplomatic relations with Israel, and today Guyana welcomes this signing since it holds good for the new generations of Jews and Palestinians," Ishmael said.

Grenada's top envoy, Denneth Modeste, said there should be no concern about the possible diversion of aid from the Caribbean to the Middle East to help with development in Palestinian areas.

"We really can't suffer anymore. They can't take anything from the little pittance we get in aid," Modeste said in response to a question.

Caribbean diplomats were among guests at the signing ceremony on the lawns of the White House which facilitated the historic handshake of Israeli Prime Minister Yitzhak Rabin and PLO Chairman Yasser Arafat.

Liberalization Policies Facilitate Money Laundering

PA1409124493 Paris AFP in Spanish 1923 GMT 13 Sep 93

[Text] Lima, Sep 13 (AFP)—The economic liberalization policies being implemented in the Andean region "have had the unwanted effect of facilitating the laundering of money" coming from drug trafficking, according to a document disclosed at the inter-American meeting on alternative development to reduce drug production which started in Lima on Monday [13 September].

A study prepared by the Inter-American Drug Abuse Control Commission, CICAD, which organized the meeting in Lima, indicates that the "laundering" has also been aided by tax dispensation measures included in the reform packages of the countries in the region, basically, Bolivia, Colombia, and Peru. Money laundering, the high point of the illegal drug trade, has been favored by the characteristics of the Andean economies, such as the growing informal economy and the frequent tax reforms and pardons that attempt to increase tax revenues and promote the return of capital, which has fled the country, but ends up facilitating the laundering of money, the study asserts.

The people attending the one-week meeting on alternative development to reduce drug production started their debates by admitting that the money generated by illegal drugs is difficult to track once it enters their legal economic routes. The study also mentions that the U.S. civil rights protection policy for criminal suspects "limits the ways that can be used to obtain legally valid evidence" on people involved in drug trafficking.

When he inaugurated the meeting, President Alberto Fujimori stated that the drug trade moves between $70 billion and $100 billion, that an estimated 200,000 Peruvian families depend on their coca crops for survival, and that there are almost 200,000 hectares of coca crops in the Amazon region. The Peruvian Government's efforts have prompted approximately 9,000 peasants in the Huallaga and La Convencion (Cusco) valleys to abandon their coca crops and 12,000 hectares are currently being used to produce alternative products, it was reported today. The producers, according to another study presented at the meeting, have managed to obtained $7 million in income from the new crops and have, thus, reinforced Fujimori's theory that it is possible to associate with the producers to get them out of the coca circuit. Fujimori called for a "world war" on drug trafficking and said his government is willing to carry out deep reforms "only if there is sustained support from consumer countries."

The CICAD Executive Secretariat considered, however, that the policies on illegal drug trade in the hemisphere "have been ambivalent and inconsistent as they have been conditioned to the government's implied acceptance of their own weakness." Furthermore, those governments have had to confront "other social problems that are perceived socially to be more pressing."

Cuba

Catholic Church Message Demands 'Real Changes'

PY1409194193 Madrid EFE in Spanish 1748 GMT 14 Sep 93

[Text] Havana, 14 Sep (EFE)—Today, Cuban Catholic bishops asked the island officials to begin a process of dialogue "among all Cubans" involving "real changes" not just from the economic but also from the social and political standpoints.

In a long message released today to the nation, the 11 Cuban bishops diagnose the critical situation the country is facing and touch on a broad range of topics, from the "extremely grave" economic situation to growing violence and crime.

The document openly criticizes the "exclusive and all-encompassing nature of the government's ideology, restrictions imposed on freedom, excessive control exercised by state security organizations, the large number of prisoners, and discrimination based on political, philosophical, or religious beliefs." The 17-page document is undoubtedly the most important document issued by the Catholic Church in Cuba in recent years.

The bishops warn that "discontent, uncertainty, and hopelessness are prevalent among the people" because the only option offered to them appears to be that of resisting, "but there is no way of knowing how long they will have to resist."

The message states that the church does not endorse any party or ideology and notes that "we, bishops, speak as Cubans to all Cubans because we know that only by working together will we be able to resolve our country's difficulties." Elaborating on this, the document adds that Cuba cannot expect to solve its problems through foreign investments, international solidarity, or foreign tourism.

The message asks: "Why don't we Cubans try to resolve our problems together from a national perspective, without anyone trying to emerge as the only defender of our interests or the arbiter of our problems?"

The document adds that if the government expects Cubans living in exile to help the country, it should also recognize their right, as Cubans, to contribute to finding solutions. The Cuban Catholic Church says: "How can we turn to them for help if we do not create an atmosphere of reconciliation among all sons of our motherland?"

Reconciliation, amnesty, compassion, and dialogue are key words used in this message, which cites as examples the cases of El Salvador, Nicaragua, Chile, Argentina, and Colombia, where processes of dialogue and accord have taken place "which benefited everyone and hurt no one." In this context, the bishops state that dialogue should not serve "to settle accounts, to assign blame, to silence adversaries, or to uphold the past, but to enable us to question others" without fear of rebuttals or disagreements.

The bishops state that there are people "both within and without Cuba" who are against dialogue because of resentment or intransigence. The bishops insist, however, on noting that dialogue is "a way for promoting understanding among all to build a dignifying, peaceful future."

The message adds that basic material needs have reached an "extremely grave" point and that there is a "progressive economic deterioration." It also makes it clear that the Catholic Church rejects the U.S. economic embargo "because, in its attempt to punish the Cuban Government, it merely increases the difficulties of our people."

Police Force Asylum-Seeker From Peruvian Embassy

PY1409171993 Madrid EFE in Spanish 1535 GMT 14 Sep 93

[Text] Havana, 14 Sep (EFE)—A man who is approximately 40 attempted to seek asylum today at the Peruvian Embassy, but while he was already inside the diplomatic mission he was forcefully dragged out by Cuban police.

EFE saw the man taking advantage of the moment when a Peruvian diplomat was opening the gate to run and enter the compound. But the policemen guarding the embassy ran after him and dragged him out again. As the policemen were pushing and kicking him, the man shouted: "I am already inside; I am already inside, you abusers." Police then arrested him along with a young man, who was apparently with the man and was waiting outside the embassy.

The Peruvian Embassy, which is located in the Miramar residential district, has reinforced its security since last weekend precisely to avoid these types of situations.

On 9 September, 11 Cuban citizens managed to enter the Mexican Embassy and obtained visas from the Mexican authorities and the Cuban Government's authorization to leave the island. The prompt solution given to the Mexican Embassy case is not in keeping with the traditional Cuban position of not allowing the departure of Cuban citizens who enter foreign diplomatic missions to seek asylum.

Pakistani President Stresses Commitment to Ties

FL1409154893 Havana Radio Reloj Network in Spanish 1402 GMT 14 Sep 93

[Text] On 14 September, Pakistani President Wasim Sajjad stressed Pakistan's wish to maintain relations with Cuba since both are countries of the South fighting for the welfare of their respective peoples. Sajjad made these comments in Islamabad during a meeting with Jose Armando Guerra Menchero, the departing Cuban

ambassador to Pakistan. According to Cuban sources in Pakistan, the Pakistani president and Guerra Menchero held a cordial meeting in which the president expressed his interest in the development of medicine in Cuba.

Cuba and Pakistan are members of the Nonaligned Movement and their respective heads of state have met at Nonaligned countries summits.

First National Nuclear Safety Workshop Opens

FL1409140193 Havana Radio Progreso Network in Spanish 1100 GMT 14 Sep 93

[Excerpt] The first national nuclear safety workshop, which will bring together 140 experts in this field, is scheduled to begin at 0900 today. From today to 16 September, participants will discuss some 50 papers at a meeting designed to create a favorable atmosphere for the exchange of experiences in connection with this matter and to promote a nuclear safety culture.

Even though the construction of the Juragua nuclear power plant has been halted, for reasons we are all familiar with, more than 180 other Cuban entities use nuclear equipment and technology. These entities are in the basic industry, health, agriculture, construction materials industry, scientific research, and other sectors. We have, however, never had to regret an accident involving radioactivity, like in Brazil, El Salvador, Mexico, and other countries.

This nuclear safety workshop was organized precisely to keep ourselves free of such serious mishaps. The best papers will be recognized at the workshop. [passage omitted on recorded statements with poor audio quality by Rosario Gil, engineer and member of the workshop organizing committee]

Safety Program Announced

FL1509020893 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 15 Sep 93

[Report by Jose Luis Rumbaut]

[Text] A program to improve state supervision of nuclear safety was announced during the first national workshop on that topic.

[Begin recording] [Engineer Jorge Cardenas] It is a medium-term program that should take some four to five years. It is not an easy task; it is a slow task. We must proceed with small but sure steps. Moreover, the national experience we are gathering is still not substantiated or developed. In other words, we are still obtaining new information and new experiences, which we are assimilating so as to incorporate them into the program. [end recording]

This program was formulated on the basis of cumulative national experience, the breathing space provided by the temporary closing of the Juragua Nuclear Power Plant, and the guidance provided by the International Atomic Energy Agency in the wake of the Chernobyl accident. Engineer Cardenas is one of 45 lecturers at this first National Nuclear and Radiological Security Workshop, which is an attempt to better inform leaders, workers, and the people in general, according to Dr. Juan Alayo, who heads the organizing committee.

[Begin recording, in progress] [Alayo] ...a fundamental issue that is discussed internationally today wherever nuclear energy is used, as a means for managers and experts of centers that employ nuclear technology to become more familiar with and aware of how nuclear energy can be used more securely and efficiently. [end recording]

The workshop will last until Thursday, 16 September. In addition to lectures, there will be roundtables and the exchange of information regarding the difficult topic of nuclear safety.

Alarcon on Importance of Economic Affairs Committee

FL1409124693 Havana Radio Rebelde Network in Spanish 0900 GMT 14 Sep 93

[Text] The Economic Affairs Standing Committee of the Cuban legislature was officially formed yesterday, thereby completing the formation of the 10 work groups of the National Assembly [of the People's Government, ANPP] created to deal with matters of a general nature or to address specific interests.

At the ceremony, ANPP President Ricardo Alarcon stressed the importance of this standing committee in channeling efforts to save the fatherland, the Revolution, and socialism. Alarcon, who is also a member of the Politburo, insisted on the fact that the committee will allow legislators to stay in contact and study ways to perfect management of the nation's economy year round, in addition to promoting the participation of the masses in solving economic problems from the the base level.

Canadian Ambassador Notes Investment Opportunities

FL1409184793 Havana Radio Rebelde Network in Spanish 1700 GMT 14 Sep 93

[Text] The recent economic opening by the Cuban Government has promoted investments or plans for investments by a large number of Canadian companies and citizens. This was pointed out by Canadian Ambassador (Mars Entuester). In an assessment of the ties between the two countries, the Canadian diplomat described relations and the political dialogue as respectful, and the increasing rate of commercial investment in Cuba as outstanding.

During a PRENSA LATINA interview, (Entuester) described Cuba's holdings in mining, natural resources, tourism, and particularly highly trained people as a

treasure. The ambassador added that Canadian companies are already involved in mining nickel, copper, and gold, exploration and extraction of oil and natural gas and are also interested in telecommunications.

In tourism, the investment is still not great, although the Canadian presence as a source of products relating to tourism is significant. However, Canada does provide the greatest number of tourists. The climate of commercial and investment stability in Cuba contributes to all this. The Canadian diplomat added that, although certain legal proceedings are still excessive, the Cuban Government is committed to ease the process. In his opinion, Cuba is experiencing a significantly defining moment in its history; he added that bilateral talks are frank and that, as a nation, Canada will never exert pressure over any nation.

Inequality of 'Dollarization' Policy Refuted

93CA0197A Havana TRABAJADORES in Spanish 16 Aug 93 p 2

[Frank Aguero Gomez Commentary]

[Text] The purpose of the measures under study by the national government, to restore the health of the Cuban economy—including decriminalization of the possession of convertible currencies, broader opportunities for foreign investments and a decrease in the volume of money in circulation, is to stimulate the growth of socially useful production and of labor productivity.

It should be clear to everyone—including to many critics of our situation—that the revolutionary state does not intend to satisfy the enormous needs of the Cuban population, nor to maintain the social conquests it has enjoyed for more than three decades, either through privatization or by the sale to foreign capital of the country's productive capacity or by introducing the blind laws of the market economy.

The road which will permit the restoration of the increasing rates of growth that our economy needs passes without doubt through the enactment of the strategy designed for the special period.

This implies the achievement of goals in food production—including the sugar cane harvest—the scientific development of new industries and products of advanced technology, the increase of tourism and other solidly based projects.

At the same time, the policy of economic opening has an important role in this concept, based on the encouragement of foreign investment and the redirection of foreign trade, which has as its objective the re-entry of the Cuban economy into the international economy, and better use of the country's productive assets.

An important link in this strategy is the encouragement of products and services that generate foreign exchange and that can contribute to the payments that the state must make in foreign markets for the purchase of raw materials, spare parts, equipment, capital goods and products. Everything that has been done and any initiative devised for the future as part of the strategy of national resistance against the difficult economic situation that the country is experiencing, has as its central purpose the salvation of the fatherland, the revolution and the conquests of socialism, which also benefits the majority of the population, especially the more humble classes and the workers.

What does it mean, otherwise, to reject the adoption of failed neoliberal solutions that recommend the privatization of the state's productive enterprises, under the assumption that they will become more efficient through massive dismissals or the abrupt cessation of their activities?

What is the purpose, then, of a policy that refuses to make severe cuts in its budgets and allocations to avoid the closing of schools, educational clubs or locations, so that no teachers lose their jobs, even when it becomes imperative to economize resources and to rely on internal cooperation and the solidarity of our friends, so that educational facilities remain open, students on government scholarships and grants receive their modest food subsidies, and pencils, notebooks, books and other school supplies are supplied in part by businesses, institutions and households?

How is one to understand, when not sharing the view that the majority should not be victimized, that no hospital should cease providing basic assistance to the sick, even though the country lacks the necessary foreign exchange to buy medicines, testing equipment and diagnostic tools; or that allotments not be cut that pay doctors', technicians' and nurses'salaries, electricity and water bills, food, and everything else needed to maintain in operation family and factory doctors' offices or the most advanced research institute? Who benefits, except for most of the population of retirees and all those in need of a minimum of assistance, by the preservation of state budgets which in 1993 exceeded 1.5 billion pesos allocated for the social security of retirees, pensioners, the poor and other beneficiaries of this measure?

Those measures may seem unfair that allow some citizens, through the possession and exchange of foreign currency, to enjoy consumer goods not distributed equally to others. This does not mean, however, that the state favors a minority to the detriment of the great majority, because it will be the majority that will continue to enjoy the nation's principal riches.

The issue is to understand, as pointed out by numerous workers during meetings convened by the unions, that this measure is not a magic wand that will solve the problems of the special period, but emergency therapy that will allow the increase of financial resources needed to supplement the national economy's scarce foreign exchange.

The objective to keep in mind, as many workers' assemblies have made clear, is that the country is prepared to hold out, even though some adjustments will have to be made to the new historical situation that we are experiencing.

Our revolutionary state will not lose its socialist bearings, nor will it admit failure, because it maintains its right to exist in the need to build a new world like the one we have in Cuba: refusing to accept as an unchanging standard the prevalence of selfish motives, the offensive disparity of wealth that characterizes the great majority of nations, where the normal thing is not that some persons or families have more or less food from one day to the next, nor possess more goods for their immediate use, but the disparity between those who have everything and those who have nothing.

The social forces which can make this conception a reality, and which Cuba will not renounce, are the workers, defended by the revolution, and who were told to fight, because the riches were theirs, to be defended. Who have been privileged since 1959, becoming the most respected citizens, returning to them their dignity and assuring them the opportunity to live, to study, to have a useful place in society, without having to beg from politicians or to betray their beliefs.

Who were systematically rewarded and continue to receive encouragement, even during the shortages of the special period, for their extraordinary deeds during the sugar cane harvest, in the major industries, in scientific work and research, for their artistic talents, their success in sports, the defense of the fatherland, with moral and material rewards which distinguish qualitatively the outstanding performance of social and patriotic duties from normal, daily routines.

The workers' assemblies that have taken place recently also share the conviction that the workers' movement will serve as the guarantor, as it has until now, of workers' rights and duties in carrying out and applying the new economic measures, and especially in the launching and operation of the enterprises and businesses that are being created by greater participation of foreign investment.

At the same time, there is greater awareness that the only way to overcome the present crisis is by efficiency and high quality production. There is a clear need to find new ways to stimulate workers to excel in their work and to find material incentives that will benefit those sectors that contribute most to the economy.

Working men and women, protagonists now and always of the revolutionary strategy, are confident that they will remain the center of attention of the Cuban state, of its political and social organizations as the beginning and the end of the responsibility of a society that will never renounce its conquests, among them that of rewarding and protecting those who excel.

CIEM Director Martinez on Self-Employment Decree

PA1409134393 Havana Radio Havana Cuba in Spanish 0000 GMT 10 Sep 93

[Interview with Osvaldo Martinez, director of the World Economic Research Center, by Barbara Bethancourt in Havana; date not given; from the "Evening Information Review" newscast—recorded]

[Text] [Bethancourt] As was reported, the Cuban State Council issued Decree Law No. 141 on self-employment. This legislation established the 133 work activities that may be engaged in by those people with the abilities and opportunities to do so in Cuba. Regarding this decree law, which was the result of needs imposed by the country's current situation, here is that prominent economist Osvaldo Martinez, director of the World Economy Research Center [CIEM] in Havana, on the legitimization of such activities:

[Martinez] I would say this does not constitute a problem from a conceptual standpoint. I do not think it is an issue that merits a debate because I believe it is clear. I mean, self-employment is not something that should be viewed as a factor that is inimical to socialism or anything of the sort. I think this is something with which socialism can coexist perfectly well. More than that, I think it should coexist with it.

Under these circumstances, owing to the very adverse economic situation the country is experiencing, we have an underutilized labor force. We also have a number of goods and services that the state cannot pay for under the current circumstances. In fact, in some cases, the state will perhaps never be able to provide efficiently certain goods and services under any circumstances.

Logically, I think that under these circumstances self-employment is something that has become necessary. I would remind you that at the last Communist Party of Cuba congress, its economic resolution recognized self-employment. I told you at the beginning that I believe this poses no problem from a conceptual standpoint.

Thus, I would say we should implement this measure of organizing and controlling self-employment through economic instruments. I think this will, to a certain extent, become a palliative without aspiring to become a solution by itself to the very complex current situation.

[Bethancourt] For a socialist economy, does levying taxes on those private properties or revenues that self-employed workers will earn on their own—because after all, they are small-scale owners—constitute a distortion?

[Martinez] I do not think there is any distortion in levying taxes on self-employed workers or on other tax recipients, which could be either private foreign companies or state enterprises. I think a tax is an instrument or economic category that is universally implemented. It is like mathematics, by itself it is neither capitalist, nor

socialist, nor anticapitalist, nor prosocialist, nor anything of the sort. It depends.... [pauses] in other words, it is an instrument and everything depends on the context in which it is used. I can tell you that taxes, conceptually or in practice, are not at odds with socialism.

[Bethancourt] They do not have any particular ideological sign identifying them with one system or another, right?

[Martinez] Exactly. In fact, I think that under certain circumstances taxes that are properly handled can be more socially sensitive than prices, because taxes can be implemented selectively. One can exempt from taxation those whom one wants to benefit because of their income level. One can levy stiffer taxes on people who have a higher income. A price increase does not have the same degree of social sensitivity, I would say. A price increase affects everyone regardless of their income level.

I think the development of a tax system is perfectly compatible with socialism, and in fact, I think it would be healthy for the Cuban economy. I regard it as one of the instruments to be used in an economic reactivation process. It would help raise fiscal revenues and thus help balance our budget. I think that taxes, speaking of self-employment, which is what brought up the question, are a very adequate mechanism; a progressive tax in the case of the self-employed workers.

I think it would be a logical measure to be implemented in this case. In general, I think that the development of a tax system would be one of the necessary elements in the economic reactivation process.

[Bethancourt] In addition to Decree Law No. 141, the state committees for finance and for labor and social security decided to issue a joint resolution to regulate who may engage in self-employment, the requisites to exercise the authorized activity, the way in which goods and services will be marketed, the taxes they must pay, and the state institutions that will keep order, supervise, and exercise control, and be in charge of the relationship between state activity and self-employed workers.

Attention to Discipline in Workplace Stressed

93CA0197B Havana TRABAJADORES in Spanish 16 Aug 93 p 5

[Caridad Lafita Navarro Commentary]

[Text] The bull points its sharp horns: lateness, absenteeism, idleness in the workplace, violation and breaking of the rules, and inflicts a daily wound in the body of economic efficiency.

I fall into this image when I look over some notes, and I reread the resolution of the VI Congress of the SNTAP [National Trade Union of Public Administration Workers] in which labor discipline in that sector is evaluated.

In a self-critical manner, they emphasize that in spite of the efforts of many people, breaches of discipline take place daily in a large number of workplaces and, when this occurs, timely corrective action by the workers, or by union and administrative leaders, is not always evident, which points to the need to raise the level of revolutionary combativeness and standards.

I am not talking about discipline in another social context, where the precepts of good behavior and job performance do not arise from one's own conscience, nor from a conviction that it is the right thing to do, but from the threat: "If you do not do as I say, go; someone else is waiting for the job."

Nor do I want to enter into the complexities of social psychology and its relation to the current economic situation.

I simply want to look inside at the daily duties of each Cuban worker, always regarded as a good worker and, at the moment, one of the best qualified in Latin America.

I begin with the first step: the worker's aptitude, as the first resource to fight against a lack of discipline. Without relying on anecdote: have you noticed that in some workplaces, those who are always late or frequently absent are those who live closest?

But since we are not starting from the discipline of hunger, as with the capitalist system, there are factors in this society that are relevant to achieve that discipline which is desired by every honest worker.

The care of the worker, as premise to the improvement of work discipline, is vital. But this does not extend only to the cafeteria or to recreation, but to pointing out the positive attitudes, the recognition before the work force of the best workers, and finding ways to eliminate specific problems, such as household repairs.

Another very important factor is the chief's good example, his dedication to work, his austerity, efficiency and drive; who, while not an autocrat, maintains his authority; who, without becoming too friendly, shows real concern for the problems of others.

Yes, one must insist on this, to watch and to isolate anything that threatens the efficient use of material, human and financial resources. This counteracts criminal and antisocial attitudes and allows decisive opposition to mistakes and losses. And when they happen, look for the causes, those responsible, and denounce them before the masses.

Everything must be firmly combined, from effective surveillance, to material responsibility, to good accountability.

But it is also indispensable to insure the proper application of the appropriate law regarding labor discipline when infringements occur, not only for absenteeism and

lateness, but for failing to follow the technical, technological and economic norms, which can cause serious damage in the workplace.

Not all breaches of discipline are violations of the law, but some can lead to it. One must confront it, and also educate. Persuade, but also discourage.

Lack of discipline is a bull that must be stopped dead in its tracks. We cannot temporize and allow it to advance. Its horns must be prevented from thrusting into the body of our economy, causing it to lose blood.

There may be some hundreds of undisciplined workers, but there are millions of us who will not permit conduct that tarnishes our traditions and mocks our daily sweat and toil.

Cruise Ship To Make Jamaica-Santiago Runs

FL1409154993 Havana Radio Reloj Network in Spanish 1403 GMT 14 Sep 93

[Text] The tourist cruise ship Caribbean Queen is an initiative to boost the flow of tourists in the Caribbean. On 17 September, it will make its fourth promotional trip between the Jamaican ports of Antonio and Ocho Rios, and Santiago de Cuba.

The official inauguration of this sea route will take place on 25 September. On 1 October, it will become a regular connection between Cuba and Jamaica, initially making two trips a week. The plan contemplates eventually increasing the trips to four a week. This was announced in Santiago de Cuba by (Bonnie Francis), president of (Inter-Caribbean Troyen), which has joined forces with Cubanacan to establish this route. The Caribbean Queen makes the 111-mile trip in about eight hours.

Bermuda

Premier Trys To Slow Closing of U.S. Air Base

FL1509015393 Bridgetown CANA in English 2241 GMT 14 Sep 93

[Text] Hamilton, Bermuda, Sept 14, CANA—Bermuda's Premier Sir John Swan, expected in the next few days to call an October general election in this British colony, flew to Washington Tuesday in his latest bid to halt or slow the closing of a United States naval air station here. Closure of the base is estimated to cost the island between 18 and 23 million dollars (U.S.) a year and would leave the airport, currently run by U.S. base personnel, in the hands of Bermudians.

Sir John, who has said Bermuda does not have the skilled people to take over operations such as air traffic control, is pushing for a five-year withdrawal plan. Sir John met British Prime Minister John Major in London in July to discuss the impact on the island of the base closure, and last week flew to Brussels for talks with top North Atlantic Treaty Organisation (NATO) officials on the issue.

NATO Secretary General Manfred Woerner pledged his support, subject to a military assessment of the base located in St. David's at the eastern end of the island. NATO recently invested U.S.32 million dollars in a new hangar and runway and other improvements at the base.

"Having now talked to NATO, and NATO feeling that an abrupt closure of the base would not be something that they would endorse, I will try to convince the Americans that they should not act in haste on the closure of the base," said Sir John on his return from Brussels. "It's a question where we just have to keep pressing ahead."

In Washington, Sir John will meet John Dalton, the new U.S. secretary of the Navy, Bermuda government officials said. But it is Sir John's meeting with Congressman Ron Dellumns that will mark the first opportunity to change the mind of a representative who is part of the movement to close the base, officials said. Dellumns is chairman of the Armed Services Committee which has drafted legislation to withdraw funding for the base of St. David's 90 days after its passage. Officials said Sir John's task is complicated by the fact that Dellumns has lost more jobs to military base closures in his California district than any other congressman—an experience that could make him less than sympathetic to Bermuda's plight.

"It will be a delicate meeting," one source told the ROYAL GAZETTE newspaper. "Mr. Dellumns will understand. The question is: will he be sympathetic?"

Sir John is also scheduled to have meetings with U.S. lawmakers who have supported Bermuda in the past. One meeting will be with Congressman Charles Rose whose North Carolina district include Camp LeJeune, which Bermuda's part-time regiment uses for training camps. The congressional action on the base was triggered by a damning report last December by U.S. newsman Sam Donaldson on the NBC-TV network programme "Primetime Live."

Although a general election need not be called until early next year, Sir John is widely expected to name October 7 or 14 as polling day in Bermuda. The ruling United Bermuda Party has already announced a full slate of 40 candidates. The Progressive Labour Party, the main opposition party which has never been in power, has so far named 34 candidates.

Aristide Convenes Deputies in Extraordinary Session

FL1409160193 Port-au-Prince Signal FM Radio in French 1030 GMT 14 Sep 93

[Text] Contrary to what was expected, the deputies will not be on vacation. They will resume work on 15 September because they have been convened by President Jean-Bertrand Aristide. Let us listen to the reading by Senate Secretary Ebrane Cadet of this order issued by the president:

[Begin recording] Liberty, Equality, Fraternity, Republic of Haiti: Order by President Jean-Bertrand Aristide:

Article 1. The legislative body is convened in extraordinary session on Wednesday, 15 September.

Article 2. This session will be devoted to examining, voting on, and ratifying the following bills:

1. Bill on the creation, organization, and operation of the Police Forces in compliance with Art. 263 of the Constitution;

2. Bill establishing the Police Academy and the Police School;

3. Bill relating to the abolition of any paramilitary force in compliance with Art. 263 of the Constitution;

4. Bill organizing the territorial communities.

Article 3. Said session will last until the purpose of this convening is fulfilled.

Article 4. The present order will be published and executed at the behest of the prime minister.

Given at the Haitian Embassy in Washington, D.C. on 10 September. [end recording]

Caputo Warns Cedras; Cedras Defends Position

FL1409203293 Port-au-Prince Radio Metropole in French 1045 GMT 14 Sep 93

[Text] Dante Caputo and Army head, General Cedras, have exchanged correspondence about the country's recent violence. The international mediator, in his letter, condemned this violence, reminding Cedras of the Governors Island Agreement which he, Cedras, and President Aristide signed on 3 July.

In his response, the head of the Haitian Army condemned the recent murders and indicated that instructions were given within his command to ensure security.

Army Commander Responds

FL1409214393 Port-au-Prince Radio Metropole in French 1600 GMT 14 Sep 93

[Text] Danta Caputo, international community and mediator, has reacted to the latest acts of violence in Port-au-Prince. The UN and OAS secretary generals addressed Commander in Chief General Cedras, asking him to respect the points of the Governors Island agreement. Gen. Cedras answered Dante Caputo, pointing out the obstacles to appeasement that President Aristide's statements constitute. Clarence Renois filed a report on this exchange of letters:

[Renois] The two men evoked one of the key points in the Governors Island accord, appeasement to favor a peaceful transition, in commenting on the latest incidents in Port-au-Prince.

The special envoy took the initiative to write Gen. Cedras. Dante Caputo pointed out the extreme gravity, in his eyes, of the violations of human rights and the assassinations, particularly the murder on 11 September of Antoine Izmery, as well as the threats against government members. The international mediator believes that the current situation in Haiti contradicts the spirit and the letter of the accord.

Dante Caputo, together with the representatives of Canada and France, asked Gen. Cedras to assure the security of the entire Haitian people in conformity with the instructions given by the constitutional government and to assure the security of government members, especially the security of the information minister whose life was publicly threatened. He reminds Cedras that the international community is determined to fully enforce the Governors' Island agreement to the end.

Gen. Raoul Cedras quickly responded. The Haitian Army commander in chief called the following to Dante Caputo's attention: It is regrettable that the constant efforts of the military institution in carrying out its mandate and its good faith are silenced. The general points out that the atmosphere of appeasement and the New York truce have not been maintained. He also points out that the economic commitment of the international community did not materialize until now.

Gen. Cedras regrets that the untimely statements made by the president of the Republic in the United States, France, and Belgium against the military institution and certain of the country's political sectors have also been kept quiet. For the Army commander in chief, these statements constitute great obstacles to the atmosphere of appeasement.

Raoul Cedras asks whether a warning letter was also addressed to Father Jean-Bertrand Aristide. While he did not voluntarily expand on the security implications of government members, Gen. Cedras made an overall statement by pointing out that the causes of human rights violations in Haiti are not only political but also social, economic, and mostly structural.

It should also be noted that the Army commander reacted to the information issued by some foreign media. The general staff called the statements by Dante Caputo, the international mediator who allegedly accused the Port-au-Prince Police chief of being involved in the murder of Antoine Izmery, slanderous.

Gen. Cedras' pen did not rest this week. The Army commander in chief also wrote to the Senate president and to the Chamber of Deputies president to ask the legislature to take a stand regarding each step of the transition process and to come to a decision on the appropriateness of all the acts involving the future of the Republic.

More on Army Response

FL1409170693 Port-au-Prince Radio Metropole in French 1045 GMT 14 Sep 93

[Text] The atmosphere of violence in Port-au-Prince reported over the past weekend and the outbreak of violence in the country occasioned an exchange of letters between General Raoul Cedras, Army commander in chief, and international mediator Dante Caputo. This exchange of letters was mentioned on 13 September by the Army General Staff in a press release issued on the National Television of Haiti.

The Haitian Army Command called a statement by Dante Caputo, the international mediator for Haiti, implicating the Port-au-Prince Police Command in the 11 September murder of Antoine Izmery, a close supporter of President Aristide, by armed civilians, slanderous. This statement was attributed to Caputo by foreign media, the military note states without naming those media. The General Staff condemns these statements, considering them slanderous since its press release on 11 September indicates the path to be followed by anyone able to cast light on the acts perpetrated that day.

The press release strongly condemned this murder and that of a retired colonel, describing the acts as unspeakable and calling on the population to throw light on them. The military communique concludes: The General Staff of the Haitian Armed Forces denounces this practice of accusing a member of the military institution lightly and with ulterior motives, and urges everyone to be more objective.

Court President To Challenge Pension Decision

FL1409210493 Port-au-Prince Signal FM Radio in French 1030 GMT 14 Sep 93

[Text] A reliable source has reported that attorney Emile Jonassaint, the Court of Cassation president pensioned off by the Malval government, has contacted two attorneys, Calixte Delatour and Rigaud Duplan, to sue Justice Minister Guy Malary and Prime Minister Robert Malval. However, people close to attorney Jonassaint are unable to confirm this.

The dismissed president of the country's highest judicial authority met with the media on his intention to remain in his post, stating that his was an irrevocable 10-year appointment. Malary called Jonassaint's appointment unconstitutional, explaining that Jonassaint is a retired state employee. The minister described the decision of the government of concord as legal.

Jean-Claude Roy, of the Union of Haitian Constitutionalists, had this to say on the matter: Jonassaint is president of a state power and nobody, not the justice minister, the prime minister, the entire government, President Aristide, nor the executive power, may pension off the president of another power without his consent.

In concealing the political motive for his action, the justice minister brings shame upon himself, as well as upon the government, by putting forward the pretext that Jonassaint is a retired person or that he has reached retirement age. Even though we criticized the behavior and recent decisions of the Court of Cassation concerning the Washington agreement and [words indistinct] legal action against the 18 January elections, the Permanent Electoral Council, and the formation of the local assemblies, we nevertheless can only support President Jonassaint's decision to reject the pension order.

His determination, however, will not be sufficient. To bring about his righteous victory and thwart this affront from the executive power, he needs the cooperation and support of all other judges and lawyers. If the legislative power is unable to ensure the separation of powers, they must see to it that the judicial power manages to do so.

Trinidad and Tobago

Government Applauds Middle-East Peace Settlement

FL1509011893 Bridgetown CANA in English 2129 GMT 14 Sep 93

[Text] Port of Spain, Trinidad, Sept 14, CANA—Trinidad and Tobago on Monday hailed the signing of the peace agreement between Israel and the Palestinian Liberation Organisation (PLO) as historic, and urged similar peace accords between Israel and other Arab states. Israel and the Palestinians signed the peace accord in Washington on Monday as one step to end the 45-year conflict in the Middle East.

In a statement following the signing of the peace agreement, Trinidad and Tobago's Foreign Affairs Minister Ralph Maraj said the problems of the Middle East have constituted one of the most durable issues confronting the international community.

"With this agreement, the way is now clear for progress to be made on the remaining matters on the Middle East agenda," Maraj said. Trinidad and Tobago hopes that similar agreements can be concluded between Israel and other Arab states including Jordan, Syria, and Lebanon, thus bringing peace to the entire area. Trinidad and Tobago has been a staunch advocate for self-determination of the Palestinian people and for the conclusion of a first and lasting peace in the Middle East. This agreement is the first step towards that goal."

Union-Government Meeting Aborted, PM No-Show

FL1509014093 Bridgetown CANA in English 2222 GMT 14 Sep 93

[Text] Port of Spain, Trinidad, Sept 14, CANA—The National Trade Union Centre (Natuc) of Trinidad and Tobago Tuesday aborted a meeting with government following the non-appearance of Prime Minister Patrick

Manning. Manning was expected to meet with the umbrella body to discuss government's economic policy, including its privatisation plans for the energy sector.

The relationship between government and the public sector trade unions has deteriorated in recent months following the unions' protest over government's plans for the state-run utilities.

The latest industrial action involves workers at the state-corporation, the Trinidad and Tobago Electricity Commission (TTEC), over plans by government to form a new power-generating company with foreign participation.

Although Manning did not show up at the meeting, Finance Minister Wendell Motlley and Junior Finance Minister Ken Valley were prepared to sit and talk with the leaders of various public and private sector trade unions. President of Natuc, Errol McCleod told reporters the ministers said they were not aware that Manning was going to be part of the ministerial team to hold discussions with Natuc.

During a meeting last week between the prime minister and a government delegation, with McCleod in attendance as president-general of the Oilfields Workers Trade Union [OWTU], it was reported that a meeting would have the prime minister meet with us and he agreed to meet with us because we complained about the ineffectiveness and poor structure, perhaps of the standing committee on economic matters," McCleod told reporters. "We have not been getting any place with that. In fact, we resolved to remove ourselves from that, if something isn't done and done quickly."

McCleod said during the meeting last week with the OWTU, Manning promised to meet with Natuc officials Tuesday to discuss the government's economic plans.

Salinas NAFTA Supplemental Accords Speech

PA1409170793 Mexico City Canal 13 Television Azteca Network in Spanish 1534 GMT 14 Sep 93

[Speech by President Carlos Salinas de Gortari on the occasion of signing the supplemental agreements to NAFTA at the Los Pinos Residence in Mexico City—live]

[Text] Mexicans, Mr. President of the Senate, Mr. President of the Chamber of Deputies, Mr. Chief Justice, Messrs. Ambassadors, ladies and gentlemen, fellow countrymen:

Today with the signing that is simultaneously taking place in the United States, by U.S. President Bill Clinton, and Canada, by Prime Minister Kim Campbell, we are formalizing the cooperation agreements on labor and environmental matters that I announced last August. These are agreements that seek to promote the protection and upgrading of the environment and contribute to the welfare of workers in the three countries. Sustained development and the upgrading of living conditions, based on greater productivity, are goals of ours that will now have the stimulus of international cooperation. They contain terms agreed on to expedite the effective implementation of labor and environmental laws that each country will enact in its own sphere. They will also serve us to exchange information and create tripartite mechanisms to resolve differences. This way, there will no longer be room for unilateral action. With these agreements, the country is advancing and trilateral cooperation is strengthened.

I want to reiterate that these agreements, as we stated from the beginning, respect the sovereignty of nations, since they explicitly recognize that the right to establish and enforce environmental and labor laws falls exclusively on each nation and in no case allows extraterritorial implementation of laws or authorize any kind of verification by foreign entities. These agreements are, as I have said, fully compatible with the North America Free Trade Agreement [NAFTA] and do not contain terms that distort the purpose of maintaining open markets.

Today I am sending the full texts of these agreements to the Senate of the Republic to be debated and, if that is the case, ratified, just as our Constitution establishes. The NAFTA signed by our three governments in December 1992 and these supplemental agreements are henceforth the exclusive responsibility of the Legislative Branches of each country in the region.

It is up to them to make the appropriate decisions so that this historic commercial treaty for North America can enter into force. I would like to mention two points of great importance for our current times. The first one, as we must recall, is that NAFTA is a long-term instrument, and its effects will not be immediate. They will take place in a gradual fashion in the next decades and for future generations. Their full entry into force, as was planned in the negotiation that ends now among the governments, will take 15 years. For that reason, although the governments of the three countries are confident and act in a decisive manner so that compliance takes place as planned, the most important thing for us is how are we going to work to prepare the Mexican economy in the years to come so that it can deal with competition in the region; how are we going to strive to take advantage of the opportunity the treaty presents to us to grow and generate jobs.

The second point is something we have been stressing. Neither the treaty nor the supplemental agreements are a panacea. That is, Mexicans know they alone, the agreements and treaties, will not resolve our problems. That depends on our effort at home, which we will certainly redouble. NAFTA and these agreements constitute and provide an opportunity, a challenge because they will mean greater and more intense competition for all Mexicans, and an opportunity because with NAFTA we will have the clear and permanent rules that will allow us to export more, attract investments, create employment, and increase, through our own effort, the capacity to compete and, with it, improve, through our actions, the welfare of the people.

The internal results we have achieved, thanks to the concerted effort, such as annual inflation of less than 10 percent, healthy public finances, the real recovery of contractual salaries, the sustained growth of exports, the modernization of our productive sector, increasing foreign savings which enhance our growth, and, all in all, the unanimous recognition of the Mexican people's efforts, ensures that our country will undoubtedly take advantage of this opportunity. Thus, the concerted effort and the pact, which have proven their value, will be continued.

Compatriots, we Mexicans are not waiting for the day the treaty goes into effect to redouble our efforts. We have been working for Mexico's increased and improved integration with the world economy. The free trade agreement with Chile is already in effect. Commercial negotiations with Colombia, Venezuela, Bolivia, and also with Central America will soon conclude. The expectation still exists that the Uruguay Round of the GATT will conclude this year. Surely by November 1993 Mexico will be a full member of APEC [expansion unknown], the Pacific basin's most important organization, and probably before my administration ends we will also be members of the Organization for Economic Cooperation and Development, OCDE, the economic organization of the more developed countries.

All of this, with or without the treaty, will demand a continuous and consistent effort and the Mexican people's tenacity and talent for dealing with our country's international commitments and opportunities. I reiterate, no one will do for Mexico what we do not do for ourselves. This is true, irrespective of the treaty and the agreements. Toward the end of the year, thanks to the efforts of all Mexicans, we will have a wider margin for

accelerating our growth and clear opportunities will emerge for the domestic market's sustained recovery, which will depend primarily on our discipline, work, and effort. This is how it has always been and we will do it for the good of our compatriots.

Ladies and gentlemen, I must reiterate that the treaty and these supplemental agreements, which are pioneering in the areas of labor and environment, are establishing a new path for future commercial negotiations, not only on our continent but in other parts of the world, even in the GATT's future.

The agreements are the result of negotiations, in which Mexico set for itself clear goals that were favorable to the country and which we are, indeed, building. Today, as I sign the legal instruments of these agreements, a new step is being taken that will improve our prospects for greater economic growth, attract an increasing amount of direct investments and, especially, generate a larger number of productive jobs that will allow a sustained increase in real salaries.

As I have been saying for years, we want more jobs; clean, well- paid jobs. Once again the Mexican people have proven that despite any stumbling blocks, when we make a joint effort we can achieve; that when we make up our minds we make progress; and that we are going to ensure that we progress in a sovereign and more fair way. Our prospects for the future are encouraging because we built those prospects with our internal effort. Our prospects are the product of our work. Nothing has been given to us.

Therefore, in order to meet the challenges we are facing today and increase the benefits to our population, especially those who have less, with the opportunities that the opening offers us, we must maintain our unity of purpose and effort, respecting pluralism. This will depend on us, and I am sure we will achieve it. With our unity, and the daily work of all Mexicans, we will build the country we want for our children and future generations: a sovereign, free, more prosperous, and more just Mexico. I am convinced that by working together, as we have been doing day after day, and by joining our efforts through this additional step forward, we will be able to attain the high goals we are seeking. Those goals are essentially for the benefit of our country, for the advancement of North America, and also a commitment to a more just, free, and shared development of the world in which we live.

Forward, fellow citizens! Mexicans will surely advance, because we are united by a common goal, which is none other than making our fatherland great! [applause]

NAFTA Supplemental Accords Presented to Senate

PA1509031693 Mexico City XEQ Canal 9 Television Network in Spanish 0208 GMT 15 Sep 93

[From the "Plenty of News" newscast; live relay by Mexico City XHTV Television Network]

[Text] This very afternoon the Senate officially received the NAFTA supplemental agreements. Carlos Sales Gutierrez, president of the Senate Commercial Commission, gave the approximate time the Senate will need to hand down its decision.

[Begin Sales recording] To give you an idea of the approximate time it might take, I would say we could finish by late November, more or less. [end recording]

Senator Sales Gutierrez, in addressing the content of the supplemental agreements, said:

[Begin Sales recording] I am not familiar with the precise wording of the accords, but what we have been told is that it does not obligate us to make any changes in our environmental laws or our labor laws. [end recording]

Costa Rica

Foreign Trade Minister Reports 12-Percent Export Increase

PA1409192493 San Jose LA NACION in Spanish 8 Sep 93 p 36A

[Report by Marvin Barquero S.]

[Text] Costa Rican exports in 1993 increased by 12 percent compared to the first eight months of 1992, despite a 4-percent decrease in income from traditional exports.

Information from the Center for the Promotion of Exports and Investments (Cenpro), disclosed by Foreign Trade Minister Roberto Rojas, indicates that Costa Rica exported a total of 1.37174 billion colones in 1993, without taking tourism into consideration.

The figures for imports are not handled by the Foreign Trade Ministry but by the Central Bank, and they are usually disclosed in the middle of the month following the cutoff date; as a result, totals for August were not available.

In July, imports totalled $1.7039 billion and certain sectors expressed concern that the commercial deficit may reach $1 billion by the end of the year. When tourism is added to the figure provided by Cenpro on 7 September, the country's income [from exports] increases to 1.70520 billion colones, an increase of 13 percent over earnings during the same period in 1992.

Low coffee and banana prices caused traditional exports to decrease by 4 percent, going from $566.66 million during the first eight months of 1992 to $546.73 million during the same period in 1993. This decrease resulted primarily from a reduction in coffee prices. Grain is sold as a commodity, so the increase of the past few weeks is not yet reflected in the national income.

Income from nontraditional farm products has increased noticeably due to strawberry and macadamia nut sales, which are up again after having suffered an abrupt decline.

The value of root and tuber exports increased by 52 percent compared to last year and the value of petunia seed exports increased by 81 percent. Income from shrimp exports, which is still rising, increased by 125 percent.

In the industrial area, the sale of men's clothing increased by 78 percent and imitation gold jewelry by 67 percent. However, income from leather and bovine skins decreased by 20 percent.

El Salvador

Cristiani on Health Workers Strike, Budget, Mideast

PA1409235593 San Salvador Radio Cadena YSKL in Spanish 1730 GMT 13 Sep 93

[Report by David Marciano Rivas]

[Text] President Alfredo Cristiani said today that the public health minister and the health workers union leaders are holding a meeting on 13 September to find a solution to the two-week-old strike. President Cristiani also confirmed that the government will continue imposing administrative and judicial sanctions against those workers who are on strike.

The president inaugurated the first course of an advanced strategic studies at a local hotel this morning. High-ranking Salvadoran Army officers and civilian officials are taking this course. Regarding the health sector's strike, the president said that the situation is becoming normal.

[Begin Cristiani recording] We have learned that most hospitals are already offering their services, including outpatient services, which was a major bone of contention. We hope this situation will soon return to normal and that the measures announced by the public health minister on 10 September will be implemented and complied with administratively and judicially. [end recording]

In addition, President Cristiani said that the government is discussing the draft bill on the 1994 national budget, in which the allotment for the Defense Ministry has been moved down to fifth largest. He stated that the Health, Education, and Public Works Ministries will have larger allotments in 1994.

[Begin Cristiani recording] In nominal terms, even though we have not concluded the budget's final analysis, the Defense Ministry budget probably will be similar to that of the previous year. In real terms this means that there has been a reduction, because the same budget will have to cover the two salary increases granted in 1993 and other expenditures; therefore, there has been a reduction in real terms, and the Health, Education, and Public Works Ministries will receive a larger allotment than the military, whose allotment will become the fourth or fifth largest in the budget. [end recording]

President Cristiani also hailed the signing of the peace agreement between Israel and the PLO, which took place in Washington on 13 September. Cristiani said: We believe the signing of this agreement is extremely significant and hope this will be the beginning of total normalization in the Middle East.

[Begin Cristiani recording] As we have been saying since last week, we are very glad this long conflict finally has been resolved through political means; that is, through

an agreement of mutual recognition between Israel and the PLO. We believe this is a very significant step regarding the situation in the Middle East, an area where violence and political instability have ruled. I believe this agreement is a first step that might prompt agreements between other Middle East countries or regions that are still in dispute. We believe the signing of this agreement between Israel and the PLO is very significant and hope this will be the beginning of total normalization in the area. [end recording]

During a formal ceremony at the White House, Israel and the PLO signed a historic agreement that for the first time lays down the base for a reconciliation between those two countries and raises hopes for an overall peace in the Middle East after a 45-year-long conflict.

Guatemala

De Leon Conditions CPR Recognition

PA1509034193 Guatemala City SIGLO VEINTIUNO in Spanish 13 Sep 93 p 3

[Text] Recognizing the members of the Communities of Resistant People [CPR] as civilians and not fighters is conditioned to the displaced people recognizing the civilian and military authorities that rule the country and abiding by the law that governs all the people of Guatemala.

This was said by President Ramiro De Leon Carpio when emphatically rejecting that the military High Command is pressuring him not to recognize the CPR as a civilian group and criticizing the statements in this regard made by CPR representatives in light of the fact that an agreement had been reached and everyone agreed that no one would make statements that could hinder the talks, which are scheduled to begin on 28 September.

"Recognizing the CPR as civilians and not fighters is closely linked to their recognizing the civilian and military authorities of the country and the laws that govern those who live in Guatemala, because they cannot live isolated," President De Leon Carpio said.

De Leon Carpio said that his government, including the Army, which is part of the government, wants the displaced people to join national life but under the laws and authorities that govern all the Guatemalan people.

For this reason, President De Leon Carpio hopes that the talks that will begin on 28 September will conclude shortly with the incorporation of these people into the life and development of the country with respect to the laws and the authorities.

Government Conditions Talks With Guerrillas

PA1409182993 Guatemala City PRENSA LIBRE in Spanish 11 Sep 93 p 4

[Text] The government has conditioned holding peace talks with the Guatemalan National Revolutionary Unity (URNG) to the guerrillas' reducing their harassment and terrorism, Hector Rosada Granados, general coordinator of the Peace Commission said on 10 September.

Although he did not demand a cease-fire, which is subject to future negotiations, Rosada Granados asked the guerrillas to unilaterally reduce hostilities. The Army, he said, will maintain a defensive posture. Rosada Granados said negotiations cannot begin unless the URNG Command shows political willingness by reducing its attacks.

On 10 September De Leon Carpio swore in the members of the Peace Commission. The Commission will draft a peace proposal to the URNG, which will be officially known by the end of September. De Leon Carpio ruled out the possibility of taking advantage of his trip to New York—if authorized by Congress—to present his peace plan to the United Nations.

It was officially announced on 10 September that the members of the Peace Commission are Brigadier Generals Marco Antonio Gonzalez Taracena and Victor Manuel Argueta Villalta, Colonel Victor Manuel Ventura Arellano, and civilians Hector Rosada Granados, Mario Permuth, and Maximiliano Kestler Farnes. Antonio Arenales and Ernesto Viteri will act as advisers.

Defense Minister on Offensive

PA1409232993 Guatemala City EL GRAFICO in Spanish 11 Sep 93 p 12

[Article by David Flores Castillo]

[Text] Salama, 11 September 1993. Defense Minister Mario Rene Enriquez said yesterday that the offensive against the guerrillas will be of a political nature and not military, as is being speculated.

The defense minister stated this minutes before he was honored as: "Favorite Son" of Salama, in Baja Verapaz Department.

Enriquez Morales said: "The offensive the Armed Forces is talking about is of a political nature. We want to take the war-horse from national and international groups that have discredited our institutions' work in our country."

"We have always defended the ideals of the Guatemalan people and we will continue to do so. Our action is directed in the areas of the armed conflict, not against the civilian population," Morales said.

Regarding the accusations made by the Communities of Resistant People (CPR), the minister said: "No bombings are taking place as charged by the CPR. We defend the citizens who are not involved with the guerrillas." Enriquez Morales added: "We will not be the exception; the guerrillas are defeated. The Guatemalan people, of their own free will, have chosen the road to democracy and not of war. I believe that the Guatemalan National

Revolutionary Unity is mistaken when they believe that our political offensive will fail, as we have already won."

The defense minister said that the approximate number of soldiers in the Armed Forces is estimated at .05 percent of the population; that is: "between 45,000 to 50,000 soldiers enlisted in the armed institution," he said.

De Leon on EMP Documents, Human Rights

PA1509035893 Guatemala City SIGLO VEINTIUNO in Spanish 11 Sep 93 p 3

[Report by Carlos Castanaza Rosales]

[Text] President Ramiro De Leon Carpio said yesterday that there are no documents from the extinct "file" that was recently eliminated with the reorganization of the Presidential Staff (EMP).

Asked if he would be willing to turn over to the Human Rights Ombudsman documents from that presidential security corps, he said: "If they ever existed it is logical to think they have been destroyed."

Likewise, he recalled the EMP's reorganization and said: "We are now talking about something more technical, well-known, and clear, meaning a national citizens' security department with the participation of civilian technicians. [quotation marks as published]

"The president needs that department, but the reorganization has already started," he reasserted when mentioning the elimination of credentials as an example.

Referring to the latest terrorist attacks and the fact that they coincided with a visit by the Inter-American Human Rights Commission (CIDH), De Leon said the report will not be jeopardized, because these activities occur in many places.

"[The CIDH delegation] will recognize the efforts exerted by the government for the defense of human rights; so we believe a joint report will be issued stating that we do cooperate with agencies and officials to provide an adequate aid," he added.

Moreover, the president said there is a possibility of talking with Jannifer Harbury, wife of former guerrilla commander Efrain Bamaca; so she is suspending the hunger strike recently started in front of the old Polytechnic School.

"It is worrisome, because she is a human being, but she has the right to exercise that pressure. Unfortunately, what she is demanding is out of our hands," he said, adding that "he must have surely died in combat and been buried somewhere, as it has happened with many other Guatemalans."

De Leon said he would like to mediate so that she would change her attitude and not suffer the physical consequences, but, he said, "that person has not been arrested, and the authorities allowed the opportunity" to ascertain this type of information "during the CIDH's visit."

Honduras

Callejas Orders Strengthening of Military at Border

PA1509000093 Hamburg DPA in Spanish 2310 GMT 14 Sep 93

[Text] Tegucigalpa, 14 Sep (DPA)—Honduras will strengthen its military presence at the border with Nicaragua to prevent rearmed groups from entering its territory, it was reported in Tegucigalpa on 14 September.

The order was given by President Rafael Leonardo Callejas to General Luis Alonso Discua Elvir, chief of the Honduran Armed Forces, who said bringing reinforcements to the border is essential in preventing the entrance of rearmed groups.

Callejas said his administration will not allow rearmed groups to settle and remain present in Honduran territory as it was in the past.

The Honduran president was referring to the 1980's when the contra groups who fought the former Sandinist regime settled in Honduran territory with the approval of the governments of former Presidents Roberto Suazo Cordoba and Jose Azcona Hoyo.

Residents of the border areas in the eastern Department of El Paraiso said Nicaraguan rearmed groups entered Honduran territory to steal from store owners and ranchers.

Rearmed groups, both contras and former Sandinists, have settled in Nicaraguan villages along the border with Honduras, it was reported in this country.

Colonel Napoleon Santos Aguilar, spokesman for the Armed Forces, said the task of putting the Nicaraguan rearmed groups under control "will not be easy" as long as the Nicaraguans do not take the proper steps to put them under control and resolve their economic problems.

Armed Forces Chief on Weapons, Crime, Elections

PA1409165493 San Pedro Sula TIEMPO in Spanish 11 Sep 93 p 4

[Report by David Romero Murillo]

[Text] Villanueva, Cortes—The 35 containers loaded with weapons that arrived in Honduras from Nicaragua are part of a commercial deal between the government of Violeta Chamorro and a U.S. company, General Luis Alonso Discua Elvir, chief of the Honduran Armed Forces, has said. "According to information available to

me, a U.S. company purchased the weapons for reasons I do not know," Discua Elvir said without giving more details.

Francisco Guerra, manager of the shipping company hired by the UN Observer Group in Central America (ONUCA) to transport the weapons, said that, according to documents, these are old weapons. Guerra added that he does not know who is the sender of the arsenal that reportedly will be shipped to Miami, United States, this afternoon.

According to Nicaraguan media, the weapons were found in an arms cache kept by the Farabundo Marti National Liberation Front in Nicaragua. The cargo includes new and modern weapons.

The number one man of the Honduran Army did not rule out the existence of arms caches in our territory because "Honduras was the rear area of the Salvadoran guerrillas, of domestic problems in Nicaragua and even Guatemala [as published]."

General Discua rejected charges that the F-5 combat squadron is a useless expense to the country as asserted on 10 September by Liberal Party [PLH] presidentical candidate Carlos Roberto Reina during a news conference. Reina also indicated that should he win the elections he would proceed to sell the aircraft.

"First of all, the F-5 aircraft, including their respective maintenance equipment, were donated by the U.S. Government. Thus, we expect that when [as published] he is elected president we can discuss the issue", Discua indicated.

The Armed Forces chief pointed out that he is concerned about the campaign promises being made by National Party [PNH] candidate Oswaldo Ramos Soto with respect to eliminating the mandatory military service since this would threaten the Army's existence. When asked what would happen to a country without a security apparatus, Discua indicated that "I do not imagine this coming to pass."

With respect to the increasing criminal activity taking place in the country, the general insisted that the police force is hardly a palliative for the situation since "we could have a police officer for each Honduran, but the problem lies in unemployment, poverty, and deprivation."

Gen. Luis Alonso ratified his previous statements in the sense that the economic adjustment measures implemented by the Rafael Callejas administration have resulted in increased violence in Honduras. "During the last meeting held in Hamburg, Germany, the IDB [Inter-American Development Bank] met with all the governors, businessmen, bankers, and arrived at the conclusion that the measures implemented during the 1990, 1991, and 1992 period had been quite severe and needed to be transformed into social projects that would benefit the population," he explained.

After refuting that he would like Oswaldo Ramos Soto to win the 28 November elections, the Armed Forces chief said that he was still undecided as to which party he sympathized with the most.

Discua indicated that he trusts President Rafael Callejas will relay instructions to the Cohdefor [Honduran Corporation for Forest Development] manager so this institution's employees stop authorizing any further tree felling without an adequate management plan.

He also stated that on 10 September, Army units had seized a shipment of timber in the Choluteca region, and added that military units specializing in reforestation procedures are currently working in Olancho and other regions throughout Honduras.

Nicaragua

National Transportation Commission Calls for Strike

PA1509020493 Hamburg DPA in Spanish 2325 GMT 14 Sep 93

[Text] Managua, 14 Sep (DPA)—Nicaragua will face a wave of national transportation strikes starting on 16 September between 0000 [0500 GMT] and 0900 [1400 GMT] to demand that the government of President Violeta Chamorro negotiate with the transportation sector.

A national transportation commission announced on 14 September the decision to call for a staggered strike, which would include all forms of land transportation, until the government lowers fuel prices and eliminates two executive decrees imposing taxes on more than 400,000 vehicle owners, which, according to the strikers, they cannot pay.

The land transportation stoppages in Nicaragua will be implemented on 16 and 17 September once the Independence Day festivities in this Central American country are over.

The national transportation commission claims that according to Nicaraguan law the strike benefits citizens in general, because if high taxes on the possession of vehicles and the expensive license plate change are imposed by the government, the transportation sector would be forced to increase passenger fares.

Diplomats Issue Communique on Center Bloc Meeting

PA1409144193 Managua BARRICADA in Spanish 12 Sep 93 p 5

[Text] The ambassadors and foreign ministers of Central America have released a communique explaining that at the request of President Violeta Barrios Chamorro and in strict adherence to the principle of nonintervention, they have contributed their good offices for the achievement of a national agreement in Nicaragua.

The Central American diplomats and foreign ministers explain that within this context they met a few days ago with the National Assembly's so-called Center Bloc in what they described as an atmosphere of warmth, mutual respect, and courtesy, and that none of the deputies who attended were intoxicated.

According to the communique, the Center Bloc deputies were asked to express, among other things, their position on an unofficial statement concerning their separation from the National Assembly in exchange for other posts.

The diplomats who signed the communique said this proposed separation was never part of their plans or outlook in this or any other process.

Recontras Reportedly Kill Peasants in Santa Rita

PA1409185993 Managua Radio Sandino in Spanish 1830 GMT 13 Sep 93

[From the "Radio News" newscast]

[Text] A police source has disclosed that on 12 September in Santa Rita region in Rio Blanco, 35 km south of Siuna, Silvio Campo and Consuelo Medina were brutally murdered by recontra Licho Gato and 10 armed individuals. Our source said the same group murdered other peasants near Santa Rita and also burned a hut. The police source added that the authorities have been unable to enter the area because over 300 armed individuals, including recontras, recompas, and common criminals, operate in that area and make life impossible for the peasants.

Comptroller General Report on Assembly Funds Mismanagement

PA1409221993 Managua EL NUEVO DIARIO in Spanish 13 Sep 93 pp 1,8

[Text] Alfredo Cesar and Carlos Siles are the only two people the Comptroller General's Office was able to detect to have any penal, civil, and administrative responsibility with respect to mismanagement of National Assembly funds during the 1991 to 1992 period, originally investigated by the KPMG [expansion unknown] "Peat Marwick," a U.S. accounting firm.

Sources close to the AN [National Assembly] presidency and the comptroller general's group that conducted the investigation disclosed to EL NUEVO DIARIO [END] that the civil accountability was also proven in the case of APO-UNO [Political Opposition Alliance-National Opposition Union] Deputy Eli Altamirano with respect to the use of nine thousand dollars. According to the sources, Deputy Altamirano will have to reimburse the amount to the National Assembly; otherwise, the assembly could file a lawsuit before the appropriate courts.

Other APO-UNO deputies also bear certain civil responsibilities. Unfortunately, END was unable to obtain the names of the other deputies involved, because the comptroller general report was forwarded to the National Assembly president during the afternoon of 8 September. To date, the report has not yet been analyzed by the seven members of the National Assembly board of directors.

Legal Procedures

Inquiries conducted by END with certain AN board of directors members—who confirmed that they had not yet read the comptroller general's final report—stated that resolutions on penal responsibilities against any deputies should already be in the hands of Attorney General Guillermo Vargas Sandino.

According to the comptroller general findings, so far it has been confirmed that the attorney general will—according to established legal procedures—have to request the AN board of directors to lift Deputies Alfredo Cesar and Cesar Siles' immunity so that both can stand trial before civil courts.

U.S. accounting firm "Peat Marwick" was able to trace 32 unguaranteed disbursements totaling 5,362,661 cordobas directly to Cesar. This firms' report also mentions other legislators such as Daniel Tate, Fidelina Rojas, Luis Sanchez, and Edmundo Castillo Ramirez.

Assembly Can Also Proceed

When consulted by END, a high-ranked source at the legislative palace disclosed that the National Assembly could move forward—in accordance to the comptroller general's final report—and take legal steps against those deputies who were found liable to have them repay all funds received without leaving any documented evidence of the transactions.

"The people look forward to the law being applied to all white- collar criminals, which is why Attorney General (Dr. Guillermo Vargas Sandino) is expected to proceed in accordance to the law" a high-ranking legislative source stated when asked about the comptroller general's report.

Board of Directors To Disclose Report Findings

The National Assembly is not in session today, because it gave its 100 employees the day off to cut down on expenses. It will not be until 16 September when the seven assembly directors will proceed to analyze the final comptroller general's report; subsequently, they will be calling a news conference probably on 17 September, when they expect to make the report findings public to the national and international press.

Flurry of Anguish

A wave of rumors and anguish has begun to take control of the assembly personnel once it was disclosed that the report had finally arrived. Several employees have realized they might have "to pay the consequences" if the comptroller general recommends the dismissal of certain

employees who have worked there since the assembly was presided over by the late Commander Daniel Nunez Tellez.

Considering the wave of rumors—a situation some media have already been made aware of by reliable sources within the legislature—the National Assembly sources stated that first there had been talk about four employees implicated and that by Friday the number had fallen to two.

According to sources consulted, the truth is that if the report includes administrative-type "recommendations" against assembly personnel, the board of directors should remember that during Alfredo Cesar's term as president, anyone who decided to contradict him was immediately fired.

The only person who dared report Cesar's mismanagement was Carlos Manfut, and that was because he could rely on his own financial backing. The source consulted on 12 September by END disclosed that other AN employees could not dare do the same.

The same source added that if the comptroller general recommended administrative controls, this does not necessarily imply dismissals but could also entail verbal or written warnings or temporary suspensions. According to the source "this can only be decided by the full board of directors."

The eventual dismissal of any AN employee—as reported on 8 September by Radio Sandino's EKO newscast—would only result in more tension among the personnel. The assembly employees union "German Pomares" is beginning to look into the matter and is prepared to block attempts to involve any employee in an issue—in which it was found that Cesar and Siles walked away with the funds—with which the comptroller general already found out they had nothing to do.

Brazil

Franco Sends Congratulations on Peace Accord

PY1409125493 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 14 Sep 93

[Text] The Brazilian Government sent a note to Israeli Prime Minister Yitzhaq Rabin, PLO Leader Yasir 'Arafat, and the U.S. and Russian Presidents congratulating them on the peace agreement signed between Israel and the PLO at the White House. President Itamar Franco stated in his letter that Brazil is very pleased with the prospect of a new era of harmony in the Middle East because it owes a lot to the Jewish and Palestinian communities.

Amazon Region Minister Appointed

PY1509032693 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 14 Sep 93

[Text] Ambassador Rubens Ricupero has reported that foreign governments have granted Brazil loans surpassing $1 billion to be invested in environmental programs. Ricupero was installed today as head of the Special Ministry for Coordination of Activities in the Amazon Region. The ministry will function at Planalto Palace, and will be responsible for coordinating the activities of the federal organizations and of the state and county governments of the region.

President Itamar Franco has already approved the general guidelines established for the ministry actions. A coordinating board will be created to define a plan of action, and a technical group will be in charge of preparing an overall policy for the Amazon Region. With a quite reduced staff, Minister Rubens Ricupero will head a ministry that has no financial resources. The ministry will use funds resulting from budget allocations which have been assigned to organizations that act in the region. According to Ricupero, however, nearly 10 loans surpassing $1 billion have already been granted to Brazil from abroad.

[Begin Ricupero recording] It is incredible that Brazil can receive this quantity of resources, and it is necessary to make a great effort. As I have just said, these loans are not being negotiated; they have already been approved. Therefore, once the current obstacles are removed, we can receive these resources in the very near future, in no more than a few weeks. [end recording]

Minister Ricupero will also be installed as acting environment minister, replacing Coutinho Jorge, who resigned yesterday as a result of the crisis between the government and the Brazilian Democratic Movement Party. He will be sworn in at President Itamar Franco's office tomorrow.

Ricupero Interviewed

PY1409191693 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 13 Sep 93 p A11

[Interview with Rubens Ricupero, special Amazon Region actions coordinator minister-designate, by Paulo Sotero, in Washington on 9 September]

[Text] [Sotero] What can the government do with an Amazon Region Ministry that it cannot do without it?

[Ricupero] We have two dozen federal government organs with jurisdiction on the Amazon region, but none of them is exclusively responsible for the region, none of them was created with the main purpose of serving the region. One solution would be for the president to receive the heads of each of those organizations, but they would only provide a partial view of the situation. My function is to coordinate—not to implement policies—and to offer an overall picture of the region.

[Sotero] You have said that the country must stop seeing the Amazon region as a problem, which prompts the government and society to take a defensive position over a region that encompasses most of the Brazilian territory, and begin to view it in a more positive light, as an opportunity. How will you accomplish that?

[Ricupero] The answer begins by redefining the way we view the Amazon region. We must re-program the Amazon region in our minds through a broad debate with the participation of regional leaders and environmental organizations. We must include topics such as Indian affairs and security concerns. But we must also know why we want to re-conceive the Amazon region. I propose the creation of an integrated program that contemplates the different elements of regional concerns—security, international relations, drug trafficking, Indians, environment, regional development, and zoning. We do not have a general blueprint today so that each organization can work on its specific task. We must have an Amazon region policy defined at the highest level, by the president of the Republic, to be implemented in cooperation with state governments and to serve as a plan for a national project for the region. Besides all that, we must develop a structure to coordinate actions.

[Sotero] Most conflicts in the Amazon region today are the result of the lack of a sensible settlements policy. Beside encouraging a grand debate, you have mentioned the idea of creating an integrated program for the region. Do you have any concrete objectives for the 15 months that you will head the ministry, for example, the end of zoning in the region?

[Ricupero] The Strategic Affairs Secretariat is responsible for the zoning program. It has informed me that their work can be speeded up. The first stage is almost finished. It is important to finish it because only then we will have private investments in the region. The zoning

program will define the characteristics and possibilities of the different Amazon regional areas.

[Sotero] You have assumed a task involving 60 percent of the national territory but you will only have a couple of rooms at the Planalto Palace annex and two advisers to handle the task. On top of this, in Brasilia you will face the opposition of organs that complain of interference in their backyards.

[Ricupero] I want to make clear that the ministry will not handle any program—it will have something to say about all of them. Every Amazon region affair is someone's responsibility and priority. My ministry will not invade other organization's backyards. We want to respect the jurisdiction of everyone. That is the president's instruction. But if you want to have an overall view of the situation you need to be acquainted with the different programs and what each organ thinks about them. My ministry will first gather information and try to stimulate the preparation of a program that will have a series of very important components. One of those components is to obtain international credits. That will be part of the overall program. When looked at carefully, one can see that the program represents billions of dollars if we add environmental, development, and other projects.

[Sotero] Can you give us an idea of the other components' objectives?

[Ricupero] I think they will be better defined when the zoning program concludes because it will permit us to identify the larger projects. In the field of Indian affairs, for instance, the objective is to finish marking their territory. In the field of the environment the objective is to implement conservation programs financed by the Group of Seven (group of industrialized countries). In the military field we have the Calha Norte Project, with its innovations. In the external field, we are faced with the need to revitalize the Amazon Region Cooperation Treaty.

[Sotero] There are obvious conflicts among some of those fields—for instance—between the Indian policy and the region's military security policy, on one hand, and the local political and economic interests, on the other hand. How will you resolve those problems?

[Ricupero] An initial idea is to debate those problems at a national forum. We must find a point of agreement between all those problems you have mentioned. It is not impossible. For instance, a document was signed by all Amazon region governors two months before Rio-92 [UN Conference on the Environment and Development]. It is just three pages long but it defines the essential issues, including development, the environment, and Indian affairs. It is something like an Amazon region doctrine and it balances diverse interests.

[Sotero] The Amazon region has been a zone of great concern for our military for years. The concern increased with the end of the cold war, reinforcing conspiratorial theories on international threats against the region.

[Ricupero] I want to visit the military ministers this week, before commenting on what the Armed Forces think. Later, during my tour of Amazon region I want to meet with unit commanders. But I can comment in general terms. I have always been very interested in defense matters. I agree with Professor Raymond Aron who said that strategy and diplomacy are the two sides of a coin. One cannot exist without the other. We need to debate defense policies just as much as we need to debate foreign policy. The defense policy is an element of the national project.

[Sotero] What are Brazil's defense problems in the post cold war world, at the threshold of year 2000?

[Ricupero] It is obvious that the Amazon region will be the great challenge. I say this without need to resort to the idea of a foreign threat. A country does not need a foreign threat to have a defense apparatus. Some people think that in order to justify the military presence in the Amazon region it is essential to identify a threatening foreign power to persecute us. I disagree. Anyone interested in strategy knows that we must always have a defense apparatus, even if it is only for dissuasion purposes. The country cannot have unprotected borders and sea coasts. All countries have a dissuasion force. Switzerland, which has not participated in a war for the past 150 years, has a powerful Army. Swiss people say that Switzerland does not have an Army, it is an Army. What are the threats against Switzerland. None. Yet the Swiss know they need to have a defense instrument. The same thing happens with us. We do not need an enemy to justify an Amazon region defense apparatus. The defense apparatus is imperative for the territory. When you have a territory you must be able to defend it. You do not need to say that the United States is threatening our territory.

[Sotero] Do you think they have plans for that?

[Ricupero] As far I know the Americans do not have any threatening plans against us. But that does not excuse us from the responsibility of exercising control over our territory. I think the Armed Forces presence must be felt in the Amazon region, particularly for defense reasons. Besides, the Armed Forces usually constitute the only presence in large empty areas. They fulfill an important role in the creation of the minimum communications infrastructure. Who can say that the situation is normal when we receive reports like the crime against the Ianomami Indians. Several weeks passed since the incident we are not even sure if the incident occurred in our territory? It is not that the state presence in the Amazon region is scarce. In some areas the state is not represented at all. Well, no country can admit that there are parts of its territory about which the state does not know exist.

* INPE To Aid in Amazon Air Space Control

93SM0409E Sao Paulo GAZETA MERCANTIL in Portuguese 13 Aug 93 p 10

[Article by Sao Jose dos Campos correspondent Virginia Silveira]

[Text] The INPE [National Institute of Space Research] will help the federal government with its plan to protect the environment and the airspace of the Amazon region by installing the Amazonia Surveillance System (Sivam), approved last Tuesday by the National Defense Council. INPE's contribution was confirmed yesterday by Minister and Chief of EMFA [Armed Forces General Staff] Admiral Arnaldo Leite Pereira during a visit to the institute.

The program approved by the National Defense Council could, according to INPE Director General Marcio Nogueira Barbosa, use the satellite images that are received daily in Brazil via the institute's receiving stations to monitor the borders between Brazil and other South American nations and keep track of how the land, waters, and Indian reservations in the region are being used. For several years, INPE has been using the services of foreign satellites to monitor the deforestation and burning of trees throughout the Amazon jungle.

According to Volker Kirchhoff, deputy director of INPE and manager of the Amazonia program, the reports on the Amazon region could be reproduced in a data bank that could expedite access to information on the region. The system, according to Kirchhoff, would have to be centralized in a single database in order to be available to the people who will manage it. According to the deputy director, the Amazon Protection System has identified eight fields of activities to promote the effective control over the region's environment and airspace.

According to Kirchhoff, INPE will work in four of those areas. These include environmental protection (monitoring of burning, toxic gases in the atmosphere, etc.), observation of land use and occupation, border surveillance and control, and the battle against illegal activities. In this latter case, according to Kirchhoff, INPE did work some years ago at the request of the Federal Government.

"Using satellite images, we were able to detect secret airstrips and areas that had marijuana plantations. The images were obtained via the Landsat and Spot remote sensing satellites." Eventually, according to Kirchhoff, this country will be able to use its own satellites to monitor the environment of the Amazon region. INPE is now developing two remote sensing satellites, one of them in cooperation with China.

Another of the institute's contributions to the Sivam program will be made in the communications area. "INPE has the technological capability to improve the communications system in the Amazon region, which is now very precarious. This could be done with telephones, or by radio," he explained.

* Political Infighting Stalls Constitutional Revision

93SM0414B Sao Paulo ISTOE in Portuguese 18 Aug 93 p 17

[Article: "The Revision Is Mine"; introductory paragraph in boldface as published]

[Text] **A quarrel between egos may prevent Congress from changing the Constitution.**

The quarrel is far from over. And it may have the unfortunate result of knocking out completely the constitutional revision that is scheduled to begin on 6 October. The speaker of the Chamber of Deputies, Inocencio Oliveira (PFL [Liberal Front Party], Pernambuco), and the president of the Senate, Humberto Lucena (PMDB [Brazilian Democratic Movement Party], Paraiba), have spent the week arguing over who should preside over the revision. Since they cannot begin the game without rules, each of them has instructed his advisers to come up with proposed internal rules. And that may be the fuze igniting another quarrel, since Deputy Nelson Jobim (PMDB, Rio Grande do Sul), who is campaigning behind the scenes to be named rapporteur for the revision, has prepared another set of proposed rules that is now being examined by the PFL, the PMDB, and the PSDB [Brazilian Social Democracy Party]. "The flame of vanity is charring the idea of constitutional revision," says Deputy Gustavo Krause (PFL, Pernambuco).

While Inocencio and Lucena struggle for hegemony in connection with the revision, the PMDB, PFL, and PSDB have started discussing a way to make the process quick and efficient. On Wednesday the 4th, leaders Genebaldo Correia, Luiz Eduardo Magalhaes, and Jose Serra had lunch together. Luiz Eduardo said that the PFL had polled its bloc. And he announced the chief results. Most PFL deputies oppose job tenure for government employees, support optional voting, support reelection of the president of the Republic, the governors, and the mayors, and want elections for the Executive and Legislative Branches to be held simultaneously. Most of the PFL also opposes retaining the state monopoly on petroleum. The PSDB is currently conducting its internal poll, and the PMDB is scheduled to do the same. After some cross-checking, the data will be used to ensure that the three parties act as a bloc and thus constitute a majority in the voting on the revised Constitution that will take place by 15 February. That is, if Lucena and Inocencio, in their private squabble, allow the revision to happen.

Bulgarian Minister Signs Trade Exchange Agreement

AU1509065893 Sofia BTA in English 1851 GMT 14 Sep 93

[Text] Brasilia, September 14 (BTA)—Deputy Prime Minister and Minister of Trade Valentin Karabashev and Brazilian Foreign Minister Celso Amorim [name and title as received] signed today an agreement on trade and economic cooperation between the two countries. A Bulgarian governmental delegation led by Mr. Karabashev is visiting Brazil accompanied by representatives of 35 of the largest Bulgarian state-owned and private companies and banks.

Brazil is Bulgaria's largest trade and economic partner in Latin America, Deputy Prime Minister Karabashev said after the signing. The agreement regulates the legal framework of trade and financial relations between the two countries as well as the substitution of clearing settlements for hard currency payments.

Talks were also started on the establishment of a Bulgarian-Brazilian bank. The Bulgarian delegation met today representatives of the two largest Brazilian banks—Banco Central and Banco do Brazil. The Brazilian side expressed satisfaction with the possibility for direct investment and participation in privatization in Bulgaria, the invested capital being 100 percent guaranteed.

At meetings at the Federation of Private Industrialists and the Association for Machines and Equipment the two sides discussed possibilities for the participation of Brazilian state and private companies in the privatization of industrial units in Bulgaria.

Later in the day the delegation arrived in Sao Paolo where they were received by Brazilian President Itamar Franco and by the governor and vice-governor of Sao Paolo. They are expected to meet representatives of the Brazilian banking circles.

* Increased Oil Imports From Iran, Others Negotiated

93SM0420D Sao Paulo GAZETA MERCANTIL in Portuguese 23 Aug 93 p 10

[Article by Sao Paulo correspondent Eugenio Melloni]

[Text] Petrobras [Brazilian Petroleum Corporation] has resumed negotiations with the Iranian Government to increase imports from that country, which had been cut from about 120,000 barrels perday in 1992 to the current 40,000 barrels per day. The state enterprise is also working out a way to increase its purchases of petroleum from Argentina, Venezuela, and Ecuador. This information comes from Petrobras President Joel Mendes Renno, who met last Friday with businessmen from the Brazil-Canada Chamber of Commerce in Sao Paulo.

The reduction in purchases of Iranian petroleum, which was agreed to during the first half of this year, was part of a change in the company's imports strategy, which favored purchases from Kuwait and Argentina. The reason for the cut in imports from Iran was that nation's failure to meet its commitment to buy Brazilian products. However, Renno did not disclose the size of the increase in imports from those countries. At present, Brazil is buying 60,000 barrels per day from Argentina, which significantly boosted its sales to Brazil this year in order to equalize its trade balance—25,000 barrels per day from Venezuela, and 15,000 barrels per day from Ecuador.

Pricing Policy

The president of Petrobras also said that the state enterprise is negotiating with the government the terms of a management contract that is supposed to be signed in September, which includes a fuel pricing policy. Renno did not rule out the possibility that real increases will be imposed in an effort to recover the losses from the lags in ex-refinery prices of petroleum derivatives—lags estimated to average 40 percent. He added, however, that the intensity of real readjustments and their timing will be determined by the administration's economic team.

* Government Seeks To Change Industrial Property Bill

93SM0420C Sao Paulo GAZETA MERCANTIL in Portuguese 24 Aug 93 p 6

[Article by Brasilia correspondent Maria Helena Tachinardi]

[Text] According to administration sources, the industrial property bill that was passed by the Chamber of Deputies and is now being considered by the Senate contains some errors in technical terminology and a contradiction regarding "international exhaustion of rights," i.e., it gives Brazilian companies permission to import directly from the licensee rather than from the holder of the patent, while prohibiting working of the patent via importation.

Those sources believe that this conflict must be resolved, because the international trend is against restricting the rights of patent holders; thus, they would be able to export directly to Brazilian companies.

The so-called "parallel importation" directly from the licensee rather than from the holder should, therefore, be conditioned on an international agreement or treaty that permits reciprocity and to which Brazil is a signatory.

This would be the case with the Mercosur [Common Market of the South] countries. Outside that realm, Brazil should not restrict a patent holder's right to export to us.

This change, for which the administration will argue in the Senate, will please the United States, since it included a complaint related to parallel importation on

its list of negative aspects of the Brazilian law. The other U.S. complaint refers to the impossibility for a patent to be worked in Brazil by means of importing the patented product, for reasons such as the absence of the economies of scale that would make production in Brazil feasible. In that case, however, the requirement for local working will be maintained, since it is a requisite for preventing a compulsory license from being granted.

If within three years a company does not manufacture, in Brazil, the product that is the object of the patent it will have to grant a compulsory license to other interested parties.

After meeting several times in Rio de Janeiro and in Brasilia, the Interministerial Technical Committee, composed of representatives of three ministries: industry, commerce, and tourism; foreign relations; and science and technology concluded that some changes will have to be made in the wording of the bill now in the Senate. As many as 40 amendments to this effect may be submitted if the ministers approve the suggestions of the interministerial committee.

One suggestion is to simplify the wording of the article of the bill that deals with patents on biotechnology. The committee suggests that the wording in an amendment by Deputy Roberto Freire (PPS/PE) [Socialist People's Party/Pernambuco] be adopted. It makes living beings, except micro-organisms, not patentable. It is suggested that the bill not say that patents will be granted on micro-organisms provided they are applied in industrial processes. Experts say that one of the requisites for a patent—besides novelty and the involvement of an inventive activity—is that the patent have an industrial application. Therefore, the committee intends to propose deletion of application in an industrial use as a condition of patentability of micro-organisms, a condition that could give rise to various legal interpretations.

The committee also suggests that the National Industrial Property Institute (INPI) not get involved in technology transfers between two companies, as is now permitted by the bill that is in the Senate.

Colombia

Guerrillas Attack Pipeline, Office, Buses 14 Sep

PA1509021993 Hamburg DPA in Spanish 0041 GMT 15 Sep 93

[Text] Santa Fe de Bogota, 14 Sep (DPA)—Authorities have reported that a new guerrilla attack on the pipeline system on 14 September caused oil to spill into a river in Santander Department. The ecological damage has not yet been fully assessed.

The terrorist act was perpetrated against a pipeline near Barrancabermeja, 270 km north of Santa Fe de Bogota, headquarters of the state-owned Colombian Petroleum Enterprise (Ecopetrol). Ecopetrol spokesmen told a radio station that the explosion broke the pipeline, causing a considerable amount of crude to spill into a river.

This dynamite attack was among several violent actions executed on 14 September in various regions of Colombia by the Simon Bolivar National Guerrilla Coordinating Board (CNGSB), which, according to the authorities, is implementing a plan called "Black September."

On the morning of 14 September, presumed subversives planted a bomb, which killed two pedestrians, near the mayor's office in the northwestern town of Apartado and torched 13 buses in Bucaramanga—capital of Santander Department—and Barrancabermeja. As part of the "Black September" plan the CNGSB has killed more than 30 soldiers and policemen in three ambushes and torched 36 buses in Santander and Bogota.

Last weekend men who identified themselves as CNGSB members kidnapped and murdered opposition leader Faisal Mustafa, 50, who was campaigning intensely to become senator. Mustafa's death provoked harsh criticism from all political quarters, especially the opposition Conservative party, which suspended the campaign of its congressional candidates in Santander until the authorities can guarantee their safety.

The CNGSB consists of 8,000 members of the Revolutionary Armed Forces of Colombia (FARC), Army of National Liberation (ELN), and Popular Liberation Army (EPL) and has tried to establish a communist regime in Colombia since the 1960's.

* Trade Official on Economic Integration Efforts

93SM0416A Medellin EL COLOMBIANO in Spanish 10 Aug 93 pp 1, 5B

[Report by Mauricio Correa]

[Text] The Colombian Government will increase its efforts to consolidate its economic integration with Venezuela and Mexico before the end of this year.

Then it will seek to expand the trade integration treaties with Chile, Central America, and the Caribbean, and its limited trade pacts with Argentina and Brazil.

This was reported by Vice Minister of Foreign Trade Juan Jose Echavarria, who said the structural axis of all these negotiations is determined by the integration process with Venezuela.

Based on this model, Colombia will have to rethink the majority of its trade pacts and position them within its overall trade negotiations.

He said that Venezuela has grown from 3 percent of our international trade to 8.5 percent in the last three years, making Colombia Venezuela's second leading trade partner, after the United States.

Colombia's imports from Venezuela rose from 5.7 percent to 7 percent during the same period.

However, he made it clear that trade with Venezuela has largely depended on exchange rate fluctuations.

He said the private sector has been the driving force behind the trade agreement with Venezuela, and added that the political changes there have not had a significant impact on the course of trade negotiations.

He said that despite the change in president, the new government has decided to keep on the team of negotiators. It even granted cabinet-level rank to the president of the Foreign Trade Institute, Miguel Rodriguez, the principal negotiator.

Impact

He said the goal is to continue to move forward in these negotiations; he believes the common tariff, which will take effect in January 1994, will have a great impact on the volume of trade.

In addition, he said this common tariff will help to eliminate the distortions that have arisen in some sectors, especially agriculture.

The vice minister reiterated that Colombia has an agricultural surplus in its trade with Mexico and Venezuela.

He cited the diversification of Colombia's exports to Venezuela, saying that our top ten exportable products account for only 30 percent of our total exports.

However, with Argentina, the top 10 products make up 83 percent; with Brazil, 86 percent; Chile, 52 percent; Mexico, 58 percent; and the United States, 78 percent.

Colombia's trade balance with Venezuela has traditionally maintained a surplus, which last year was US $160 million.

He said this situation is not the most desirable since, for the successful operation of the integration treaty, it would be ideal for the trade balance not to favor either party.

Agenda

He announced that on 17 and 18 August an important border meeting will be held between the presidents of the two nations to work out details concerning issues where essential differences still remain.

The meeting's economic agenda includes the formation of a joint cabinet (composed of the two nations' ministers of the economy), the standardization of labor policies, evaluation of the G-3 progress, relations with Central America and Caricom [Caribbean Common Market], agricultural policy, technical standards and intellectual property, the financial sector, and the easing of customs procedures.

Echavarria recognized that, despite the progress made in trade issues, we have not managed to establish a significant presence in the Venezuelan economy in terms of investment.

He said the Venezuelan government's restrictions on foreign investment in some sectors (especially the financial sector) have been the major impediment blocking this goal.

He said Colombia has no restrictions on foreign capital investment, with the sole exception of defense and toxic wastes.

At the present time, he added, there is a bill before the Venezuelan Congress designed to eliminate this inequality. It is expected to pass without opposition, in part because the limited success achieved by investors in the Colombian financial sector would fail without this reciprocity.

Mexico

The vice minister indicated that another important goal of the Colombian Government is to define the scope of the G-3 before the end of this year, in preparation for the challenges represented by NAFTA [North American Free Trade Agreement] in the mid-term period.

This is the true challenge facing the Colombian economy. NAFTA will become a reality in the short term, like the European Community. It is essential for Colombia to form an economic bloc that can compete with those giants.

He said that to do this, we must once and for all lose our fear of this challenge and reject the Colombian business community's warnings about competing with Mexico because of the undeniable disadvantages our economy faces.

"Mexico has started to negotiate with an economy 30 times larger, in much more difficult conditions than those which some of our businessmen fear," he indicated.

He emphasized that the essential differences found in trade are due precisely to the existence of competition.

He pointed out that, while it is true that Mexico has to date not played a major role in Colombia's trade (our trade balance with Mexico last year had a deficit of U.S. $100 million), it will provide a bridge toward future negotiations with NAFTA.

The vice minister rejected the fearful analyses of Colombia's major production sectors about our competitive disadvantage in relation to the Mexican economy, saying that if excessive imbalances do arise that would harm our national production sector, the pact will be terminated.

He also said that the existing inequalities will be discussed in the upcoming meetings between negotiators from both nations.

He explained that issues like agriculture, subsidies, market access, rules of origin, safeguards, unfair trade practices, foreign investment, state purchases, the resolution of disputes, services, communications, transport, intellectual property, plant health standards, and technical regulations will be thoroughly studied.

Exports

He explained that Chile is Colombia's next integration policy target. So far the government has moved slowly in negotiations with Chile, for reasons of priority. However, a comparative analysis of trade between Colombia and Chile shows that the trade balance tends to favor Colombia.

Last year Colombian exports to Chile came to U.S. $103.8 million, while our imports from Chile were $78.5 million.

Finally, he said the validity of the free trade model is supported by the increase in Colombian exports, and he denied that the government has provided any special support to the export sector.

Still, he did say that controlling the exchange rate has been a dificult problem in achieving this goal, since the exchange rate can not be controlled in the long term.

This is especially true, given the impending revaluation impact caused by the resources generated by Cusiana [Colombian petroleum project], although he said this impact will not be as dramatic as people have claimed.

He added that Cusiana's impact will be 2 percent a year for a decade and said that, although the exchange rate has been at its highest levels in recent years, this is a favorable factor for the export sector.

He repeated that maintaining the Cert [Tax Reimbursement Certificates] will cost the government approximately 70 billion pesos this year and about 82 billion in 1994.

He concluded by saying that this program, combined with the creation of Proexport [Export Promotion Fund], Bancoldex [Colombian export Bank], and Fiducoldex [expansion not given], demonstrates the government's interest in promoting exports.

Ecuador

Goverment Welcomes Israeli-PLO Peace Accord

PA1409141793 Quito Voz de los Andes in Spanish 1200 GMT 14 Sep 93

[From "The Voz Andes Newscast"]

[Text] The Ecuadoran Government has welcomed and described as historic the signing of the peace accord between Israel and the PLO. The government recognized and noted the courage and historic vision with which the State of Israel and the PLO leaders decided to bring to an end their long-standing and dramatic conflict.

Paraguay

Di Tella on Pilcomayo River, Tariff Barriers

PY1409184893 Asuncion ULTIMA HORA in Spanish 13 Sep 93 p 12

[Text] Argentine Foreign Minister Guido Di Tella, who yesterday started a two-day official visit to our country, hinted at the fact that the Pilcomayo River problem could lie in negligence by Paraguay in the design and layout of the old canal in our territory.

During an interview this morning with Radio Nanduti, Di Tella stated that even though he cannot give his opinion about Paraguay's internal affairs, the course of the canal that is currently under construction in Paraguay is the correct course and the one that should have been followed from the very beginning.

Di Tella pointed out that both countries will have to continuously monitor both canals for an equal share of the Pilcomayo's waters because "the Pilcomayo is a very complex river and its waters may not be distributed exactly as planned; therefore it will require ongoing monitoring."

Moreover, the Argentine foreign minister indicated that the Pilcomayo River is a common issue, rather than a problem that only concerns Paraguay, and as such, Argentina will defend its half share and not aspire to more than its half because otherwise it would be violating an international treaty.

Di Tella then added that the corrections Argentina will make to its canal seek to give the necessary assurance so the river's waters also can enter our country. Upon being told that the Paraguayan canal will be of no use unless Argentina implements the corrective measures agreed upon, Di Tella said that his country will do what has been arranged, namely to fill up the canal bed to make it higher, and if this is not enough, it will build piers so the Pilcomayo's waters can be divided equally.

The Argentine foreign minister asserted that Argentina does not intend to gain the upper hand on the Pilcomayo River issue.

With regard to the statistical tax, Di Tella stressed that the adjustments made by Argentina did not seek to damage the economy of any of the other Mercosur [Common Market of the South] member countries, especially Paraguay.

Di Tella also noted that Paraguay's demands already have been met in due time, but that he came to our

country precisely to try overcoming all disputes between Paraguay and Argentina. "Granted, we have many problems, but none of them is unsurmountable," he said. Upon being told about the unfair situation Paraguay has to put up with concerning the Yacyreta hydroelectric dam since the area to be flooded will be larger in our country than in Argentina, Di Tella asserted that this will not happen and that both countries will have a comparable area of land flooded.

The Argentine foreign minister met President Juan Carlos Wasmosy this morning and then held a working meeting with his Paraguayan counterpart, Diogenes Martinez.

The meeting between both countries' foreign ministers is to be resumed at 1600 local time. They will discuss phytosanitary controls, the implementation of an additional value added tax, and other tariff barriers. At 1800 local time, Di Tella is scheduled to meet leaders from the traditional political parties.

Peru

Communique on Israeli-PLO Recognition Issued

PA1509032593 Madrid EFE in Spanish 0223 GMT 15 Sep 93

[Text] Lima, 14 Sep (EFE)—The Peruvian Government expressed on 14 September its satisfaction with the mutual recognition by Israel and the PLO, which it says "paves the way for a new road to lasting peace in the Middle East."

The official communique issued today by the Peruvian Foreign Ministry reads that the recognition and the agreements achieved are "important steps toward an understanding among the parties that will allow the region's pacification."

To conclude, the communique adds that the pacification will contribute "in a very significant manner" to the achievement of world peace.

* Perez de Cuellar's Impact on Politics Assessed

93SM0412A Lima SI in Spanish 9 Aug 93 pp 8-14

[Text] The statements made by Javier Perez de Cuellar on Channel 9's "Live" [En Directo] Thursday were a watershed in Peruvian politics. They have already modified the correlation of political forces and will very likely help define the camps in the coming election campaign.

To be clear, Perez de Cuellar did not, strictly speaking, proclaim himself to be a presidential candidate on Alfredo Barnechea's program. In his televised speech, which he later expanded upon in EL COMERCIO, he stated that it would take a "very persuasive effort" to convince him to abandon his status as an "impassioned observer of what is happening in [his] country" for a role as an active participant in the national political scene.

For the time being, the point is not whether the former secretary general of the United Nations will or will not be a candidate. What is relevant is to analyze what has already happened as a result of statements he made the following day to the effect that the CCD reportedly endorsed the reelection of the president. Public opinion has witnessed the emergence of an attitude of expectation and sympathy for Perez de Cuellar. The phenomenon is all the more noteworthy because previous to the speech in question, the atmosphere was marked by the absence of any alternatives to the plan to reelect President Alberto Fujimori.

In the meantime, media polls have shown that Perez de Cuellar can rally support among the parties, independents, and political factions of the center, right, and left. Even sectors backing the economic program of the current administration believe that the prestigious diplomat symbolizes national aspirations that transcend parties: democracy, social justice, the calming of tensions.

In other words, even without being a candidate, the former UN secretary general seems to many to be the only person who could run against Fujimori on a platform not based on the emotional or pragmatic appeal of a Ricardo Belmont, for example. The expectations roused by this public figure are not created simply because he is a good candidate or because he enjoys universal prestige or because he could attract more interest and investments in Peru. In addition to this, he rouses support because he represents values that it would be healthy to see in candidates who might oppose those that Fujimori possesses.

Confronted with Perez de Cuellar's potential candidacy, the political inclinations of the citizenry fall into two main categories: the first, including those who want Fujimori to continue with his neoliberal reforms, whether or not he gives in to authoritarianism; and the second comprised of those who want such reforms to be applied within a democratic framework or tempered by a tinge of social justice, without thereby falling prey to populism, inasmuch as they have already demonstrated their inefficiency and boomerang effect on the lower-income classes which they were supposed to benefit.

Perez de Cuellar's moderate, conditional statements quickly suggested that the better of these possibilities is emerging, focusing on a personage of enormous intellectual and moral attraction.

Even though the diplomat has not actually become a candidate, the prospect that he might has produced a number of obvious political effects, to wit:

1. The very fact is forcing parties to get together and consider a candidate who reflects national aspirations, transcending their particular interests.

2. The suggested "precandidacy" thus becomes a way to contain Fujimori's excesses in terms of legislation and the use of government resources in the pre-election and

election campaign. Any notice that Perez de Cuellar takes of a given irregularity or lack of transparency would have far more resonance in the world than would that of any other Peruvian leader. Fujimori will be under pressure to conduct himself with greater care.

3. Perez de Cuellar's statements situate the inhumane aspect of the current economic policy at the very heart of the debate. On several recent occasions, he has demanded, along with a greater effort toward democratization, a more effective program of social compensation to offset the effects of the readjustment. This is also the gist of the homily in the 28 July Te Deum, which reflects positions of the Peruvian Episcopacy that have been presented to the government and the country on more than one occasion.

4. The Perez de Cuellar factor is a deterrent in the practices of top military leaders with respect to their complicity in the coverup of human rights crimes and violations. The very possibility that a democratic candidate could defeat Fujimori could paralyze or attenuate abuses and send a chill down the spines of Generals Nicolas Hermoza and Luis Perez Documet and adviser Vladimiro Montesinos. On the other hand, many military officials not seriously compromised by unsoldierlike dirty work will think twice before getting involved in undemocratic attacks. Any colonel who until only recently was under the impression that Fujimori would automatically serve seven more years will now start to worry about not risking his career.

5. Nor can one omit the possibility of a crack in the monolithic unity of elite business circles supporting Fujimori. More than one CEO will stop to consider: "Why put all my eggs in Fujimori's basket?" "What if Perez de Cuellar wins?" We already know how pragmatic our business leaders are.

In sum, the possibility that Perez de Cuellar might be a candidate means, purely and simply, that Fujimori may not be reelected. This changes the whole picture of economic, political, and social figures who have any prospect of being represented in the next government.

What will change in the immediate future?

The former UN secretary general may maintain the possibility as long as possible, in terms of the election, and then make a decision based on the scope of the support he has roused and if he observes that only his participation can get the country back on the democratic path.

In his statements to EL COMERCIO, Perez de Cuellar said he has no desire to become actively involved in politics. Nor is it that he wants to be coaxed. This is a very real and longstanding lack of vocation for elective political office in a man who has spent his life as a diplomat. He started his career at the age of 19, going to work as a low-level civil servant in the Ministry of Foreign Relations. He has said that he would only participate in politics under "truly exceptional circumstances." It is not difficult to adduce that this is precisely the case. One does not have to be an Einstein to realize that Peru must check its march toward the authoritarian abyss annd the resulting polarization which, assuming Fujimori is reelected, may open up a period of struggles and a lack of security. However, taking a colder view of things, the possibility of Javier Perez de Cuellar becoming a candidate has a way to go that may—or may not—be simple.

One obstacle in such a seemingly clear path could be, for example, if Fernando Belaunde should express a desire for a third term in office. This does not appear likely.

Last Wednesday, all the media received a press release from the Popular Action (AP) Departmental Committee inviting them to the launching of the architect's candidacy the following Tuesday, the 10th. However, on Saturday's "Weekly Antenna" [Antena de la Semana] broadcast by ANTENA UNO RADIO and produced by Fernando Florez-Araoz, Belaunde was categorical: "It is a bit early to make any emphatic statements except insofar as I am concerned. I did not run in the last election, nor do I propose to do so in the next, for obvious reasons.... For the time being, the danger is continuism, which is a great corruptor. Peru has always been confronted with a challenge, a challenge specifically facing those of us who have always practiced democracy. In this state of emergency, the AP maintains its independence, which does not mean that when the time comes, it will not be responsive to the nation's overriding needs."

The architect, a man of proven political astuteness, thus demonstrated that he was not clinging to positions of partisan egocentrism. At week's end, high-ranking AP circles were declaring that Belaunde would not proceed to the appointed place for his alleged proclamation.

The APRA [American Popular Revolutionary Alliance] is taking a similar tactical line, its inner circles declaring that the effort of all parties must aim at a consensus that could lead the country out of the dictatorship. They say that if no such consensus emerges and if a partisan candidacy is launched, for example, then they would be forced to put up their own candidate.

In other words, the Perez de Cuellar option is also making progress in the "traditional parties" which Perez de Cuellar deems indispensable for representative democracy, providing there is a democratization and a renewing leadership.

A similar attitude is seen on the nonextremist left.

Having said this much, one has to add that nothing would be more unfortunate than if a Perez de Cuellar candidacy should turn into a party formula. The most sensible option would point to a very broad convergence of parties and independents not burdened by any partisan affiliation or any pre-existing exclusions.

A number of recent experiences, particularly that of post-Pinochet Chile, indicate that that is the path of victory and the restoration of democracy, a socially-inspired democracy without intolerance, one that has bet once and for all on democracy, on improving the standard of living of the workers and poor people, and on freedom. The maturation of such a consensus can lead naturally to an acceleration of the election schedule aimed at clearing away uncertainty and fluctuations and at Peru's full reintegration into the great international and Latin American wave for democratic modernization in all fields.

As for the rest, these are not groundless conjectures. Polls taken in recent months before the emergence of the immediate possibility of a candidacy of the former UN secretary general indicate the latter's potential. In a survey of 450 Peruvians conducted between 5 and 7 February of this year, Apoyo asked the question: "If the 1995 presidential elections were held tomorrow and the candidates were Alberto Fujimori, Javier Perez de Cuellar, Ricardo Belmont, and Luis Caceres, for whom would you vote?" and received the following results: Perez de Cuellar, 34 percent; Alberto Fujimori, 31; Ricardo Belmont, 11; Luis Caceres, 8; and Do not know, no response, 9.

For its part, Imasen conducted a poll of 400 persons in March. The question involved two candidates: "If the presidential elections were to be held tomorrow and the candidates were Alberto Fujimori and Perez de Cuellar, for whom would you vote?" The result was: Alberto Fujimori, 38.5 percent; Perez de Cuellar, 35; Neither, 20.3; and No response, 6.2.

We repeat that the diplomat was not a potential candidate at the time. Any calculation of probabilities would have to consider that Perez de Cuellar, being an independent like Mario Vargas Llosa, is free of some of the traumas experienced by the latter: He is not "allergic" to the parties, does not introduce a "morality" factor into the daily life of politics, and, for reasons of his lifetime profession, is used to seeking agreement. In dramatic life-and-death cases, he has shown that he is a patient man, but one who is also bold and capable of making deals even between forces that once appeared to be irreducibly opposed. In sum, he is a diplomat who is a stranger to spectacular displays, but one made of strong stuff when it comes time to achieve a peaceful solution.

Venezuela

Velasquez Calls for National Accord Before Elections

PA1309165593 Caracas Venevision Television Network in Spanish 1000 GMT 13 Sep 93

[Report by Maria Davila from "The Reporter" newscast]

[Text] President Ramon Jose Velasquez warned over the weekend that it will be very difficult to overcome the crisis current under a democracy if a national agreement is not reached on economic and social affairs.

In a frank dialogue, President Velasquez said he will devote the 86 remaining days of his transition government to achieving a national agreement in an effort to overcome the problems affecting the nation today and in the future. He said this is the appropriate time to achieve such an agreement, because the government that will be established by the election process will not have time to set up political or parliamentary pacts that will allow it to operate.

The president can no longer be called upon to resolve isolated problems, Velasquez explained, adding that it is necessary to reformulate the Constitution, key issues of the reform, the double electoral round, and the creation of the position of prime minister.

We cannot conceal the fiscal crisis the country is facing, nor can we hide the treasury deficit, the inability to improve wage conditions of employees, and the catastrophe of inefficient state-owned companies, President Velasquez noted. Lies no longer work, he said, not even as campaign promises. Velasquez added: He who promises what he cannot accomplish will be proven false in six months by the people themselves.

Velasquez said: The modernization of the economy is not associated with any name or surname, but, rather, it is a process that will be ongoing. The country is watching over the elections, and, with the decentralization the government, the nation has not been weakened. Quite the contrary, it has been strengthened.

[Begin Velasquez recording] Economic policy must be based on the individual, the family, and society in an effort to stop the widening gap between two Venezuelas. This is fundamental. [end recording]

Concerning the signing of the autonomy pact between Israeli Prime Minister Yitzhaq Rabin and the PLO's Yasir 'Arafat, Velasquez said: We are witnessing profound signs of change accompanying the end of the century. What once appeared impossible is now a reality.

Meanwhile, the Government Territorial Council will be installed today at the Miraflores Palace. It is being formed by President Velasquez, members of his cabinet, executive, and regional governors. Among other topics, the council will discuss the participation of regions in the application of the value-added tax.

This afternoon, the first meeting of the Metropolitan Government Council will be held. It will be presided over by Mayor Aristobulo Isturiz and will include different mayors of metropolitan areas. Also this afternoon, the agreement on automotive policy with our sister Republic of Colombia will be concluded.

Ochoa Travels to Havana for Meeting With Colleague

PA1509041793 Caracas Venezolana de Television Network in Spanish 1550 GMT 14 Sep 93

[From "The News" newscast]

[Text] Venezuelan Foreign Minister Fernando Ochoa Antich traveled today to Havana to assess with his colleague from the Caribbean nation the state of diplomatic relations between both nations. The encounter will take place on 15 September during the third political consultation meeting between Venezuela and Cuba.

The agenda to be discussed by the two foreign ministers will be open. Diverse political issues could be discussed, among them the recent renewal of the embargo against Cuba by the U.S. President. In addition, a possible financial integration process could be discussed as well as the UN Security Council, given that Venezuela is president of the Security Council until September. Although economic issues will be discussed, the possibility of reinitiating the supply of heavy crude by Venezuelan Petroleum has been ruled out.

Copei Candidate Supports Approval of New Banking Law

PA1309225093 Caracas Radio Caracas Television in Spanish 0200 GMT 13 Sep 93

[From "The Observer" newscast]

[Text] Osvaldo Alvarez Paz, presidential candidate for the Social Christian Party, has said that the government must immediately approve the new general banking law to prompt an opening in the Venezuelan financial system by lowering interest rates and strengthening all areas of the Venezuelan economy.

[Begin Alvarez Paz recording] Opening up the financial system will also help lower interest rates. It is enough to say that U.S. interest rates fluctuate between 6 and 7 percent, and EEC rates are between 15 and 18 percent. Imagine the effects international banks could have on the Venezuelan situation, either directly or through associations they could form with the local banking sector. [end recording]